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This briefing book provides background information on current foreign policy issues. This edition discusses the following major issues: (1) "U.S. in a New World: What Goals? What Priorities?"; (2) "United Nations: What Role in the New World?"; (3) "Germany's Role: In Europe? In the Atlantic Alliance?"; (4) "China: New Reforms, Old Politics?"; (5) "Trade and the Global Economy: Projecting U.S. Interests"; (6) "Russia and the Central Asian Republics: After Independence, New Directions?"; (7) "India and Pakistan: Collision or Compromise?"; and (8) "Children at Risk: Abroad and at Home." The activity book contains activities on each subject and five handout mastersheets related to world areas and topics. (EH)

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GREAT DECISIONS

1993 Edition

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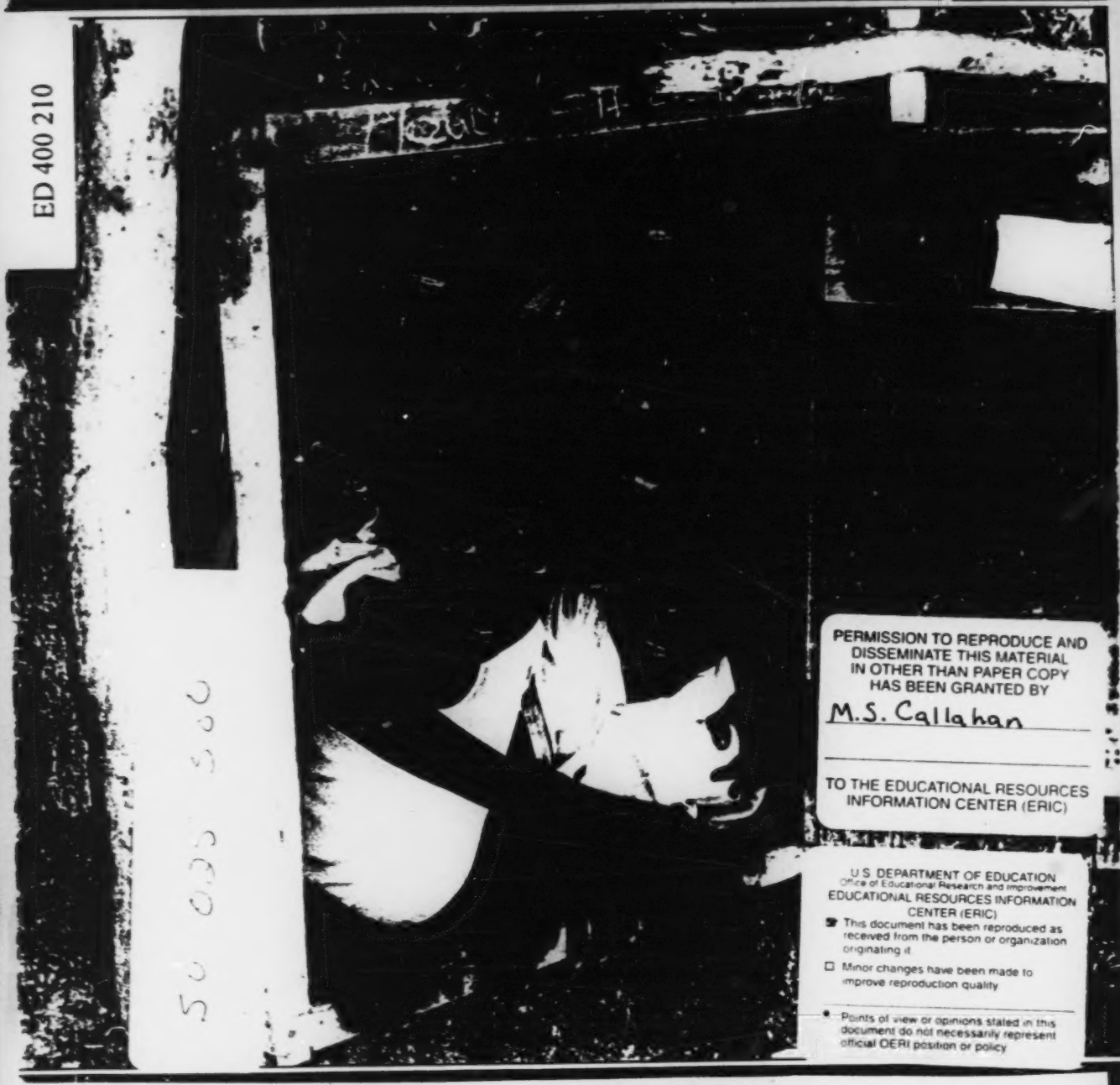

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America's new agenda

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India-Pakistan arms race

Children at risk

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GREAT DECISIONS

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INTRODUCTION

FOR HIGH DRAMA and unpredictability, it was a presidential election without equal in recent memory. One of the most startling developments of the campaign that brought Arkansas Governor Bill Clinton into the White House was a return to whistle-stop campaigning. President George Bush, conjuring up images of the feisty Harry Truman, barnstormed the heartland by train. Bill Clinton scoured the back roads and factory gates by bus, and Ross Perot, with his populist television talks, reached back into the tradition of Franklin Delano Roosevelt's fireside chats. The give-and-take of "town hall" debate came back in style with significant results: a resounding 55% of the electorate, reversing a three-decade downward trend, turned out to vote.

National security adviser Brent Scowcroft (r.) discusses the 1992 National Opinion Ballot Report with Leonard H. Marks, chairman of the executive committee of the Foreign Policy Association's Board of Governors.

Making oneself heard in the halls of power is nothing new for readers of GREAT DECISIONS and participants in discussion groups. They have been speaking their minds through the GREAT DECISIONS opinion ballots since 1955. This year again you have a unique opportunity to make your voice heard by the new Administration and Congress. Bound into this book are **opinion ballots** on each of eight major issues facing the country. (There are two sets for the convenience of couples who share the book.) Ballots received by the Foreign Policy Association before June 30 will be tabulated and a report will be presented to the new President, the secretaries of state and defense, the national security adviser, congressional leaders and the media. (In 1992, FPA tabulated over 40,000 ballots—a 13% increase over 1991. Results of the 1992 "National Opinion Ballot Report" appear on pages 93 and 94. Copies of the report are available free from FPA.)

For discussion group participants who want to take further action in support of policy or to change policy and influence the country's great decisions, the editors have listed at the end of each topic the names of a few educational and advocacy organizations. (The names of additional organizations appear on page 92.) For those who want to know more about the issues, there are also suggested readings.

The presidential campaign demonstrated the vigor and vitality of the political process. The people have spoken, but the dialogue must continue between government and the citizens. GREAT DECISIONS offers its readers the opportunity to participate in that dialogue.

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U.S. in a new world: what goals? what priorities?

As the U.S. confronts new challenges abroad, many Americans agree that foreign policy begins at home.

by the editors

SETTING HIS PRIORITIES, *Governor Bill Clinton addresses the Foreign Policy Association during his campaign for the presidency.*

"I TURNED ON the TV this morning," a young gang leader tells a friend as they mourn his half brother, shot dead by teenagers on the streets of Los Angeles. "They had all this stuff about living in a violent world. They showed all these foreign places....I started thinking: either they don't know, don't show or don't care about what's going on at home."

The speaker is fictional, one of the principal characters in *Boyz n the Hood*, John Singleton's film about young black men growing up mostly fatherless in contemporary Los Angeles. But his words raise one of the most troubling issues now facing America. Why should the nation, with such heavy burdens of its own, care about problems overseas?

In the spring of 1992, another film depicting urban violence, this time a factual one, forced the nation to take a long, troubled look at itself. News broadcasts of a private videotape showing LA policemen relentlessly beating an African-American motorist named Rodney G. King shocked the nation. In April, four policemen were acquitted of charges of using excessive force in arresting King, who was under the influence of illegal narcotics when he led them on a seven-minute high-speed chase. When news of their acquittal reached south-central Los Angeles, racial tensions exploded. Rioters killed dozens of people, injured hundreds, and burned and looted homes and businesses. In all, 58 people died. Some were killed by law-enforcement officers or by businessmen protecting their property. But the vast majority of the deaths were attributed to gang members settling private vendettas.

Global shock waves

The riots hit America with the emotional wallop an ailing man must feel when told that he has cancer. Slackening economic growth, rising debt and growing unemployment were already worrying many Americans and dominating the presidential election campaign. Although many people remained proud of the American system, and confident that it served as the best model for other nations seeking the benefits of free-market democracy, the explosion in LA seemed to beg the question: How can the American system claim to embody the best hopes for human prosperity and freedom when U.S. domestic life is scandalized by poverty, racial tension and crime?

The violence sent shock waves around the world. The riots "revealed the sickness of American society," a Japanese official told *The Washington Post*. "The U.S. government talks of human rights," gloated a newspaper in the People's Republic of China, "how will it explain its racial discrimination policy to the world?" A French editorial acknowledged that racial strife is not confined to the U.S. "What is happening there today could explode here tomorrow," *The Economist* (London) warned of the country's growing fragmentation: "Modern America shows all too acutely the dangers that arise when a nation of many people, beliefs, races and traditions keeps to the rallying cries of liberty, equality and happiness, but neglects the glue of mutual regard, attention and respect."

Foreign or domestic?

The riots flared in the midst of a debate that grew in intensity during the 1992 election year. Basically, the debate revolved around this assertion: Despite its cold-war triumph, the U.S. is being undermined from within by chronic social, economic and political problems that impede its ability to cope with the revolutionary changes sweeping the globe. Many Americans support this view. Others argue that U.S. domestic problems are overstated, that America's international influence has never been greater, and that the nation is ready to

meet the challenges of the future head-on.

During the campaign, President George Bush was stung by criticism from Democratic challenger Governor Bill Clinton of Arkansas and independent Texas businessman Ross Perot that he had paid too much attention to foreign affairs at the expense of pressing domestic problems. But even as the new Clinton Administration was being organized, a host of troubling foreign policy problems threatened to force the President-elect to revise his agenda. As 1992 drew to a close, Iraqi President Saddam Hussein celebrated Bush's defeat, an increasingly aggressive Iran continued its arms buildup, and thousands of people faced war and hunger in Bosnia and Herzegovina and starvation in Somalia.

Not long ago these events might have seemed remote. But recent revolutions in telecommunication, computer and weapon technologies have transformed the world into a global village. Satellite signals now bring images of mass starvation in Africa or ethnic bloodshed in Europe into American living rooms with shocking immediacy. "Smart bombs," nuclear missiles and other weapons that were once the stuff of science fiction can now annihilate this "village" and all its citizens.

Yet the same technological revolution has improved life on the planet. Telecommunications has fostered the spread of shared solutions to political and economic problems. Television and movies, for example, offered the first images of the benefits of the free market and democracy to many people who lived under Communist regimes and helped to speed the downfall of communism. Technology has also revolutionized world commerce. Today, 24-hour computerized trading makes it possible to transfer huge amounts of capital from, say, Hong Kong to London, in a matter of seconds. Instant communication has made the world smaller, blurring the boundaries between foreign and domestic concerns.

"The world we have known for half a century is rapidly receding into history," the Carnegie Endowment National Commission on America and the New World observed in a 1992 report. Events overseas, such as interest-rate hikes in Germany, or a stock-market collapse in Japan, can affect the cost of borrowing money in New York. "Today foreign policy can raise or lower the cost of your home mortgage, create a new job or cause you to lose the one you've got," the commission warns in its report, entitled *Changing Our Ways: America and the New World*. The commission, made up of 23 prominent Democrats, Republicans and Independents in business, government, academia, the military and the media, maintains that the U.S. is entering a watershed as the 21st century approaches. "This is the time for us to change the way we think about the world and the way we conduct our affairs at home and abroad." It offers three broad principles to guide the U.S. in the new era.

- Foreign policy must be founded on a renewal of America's domestic strength, with rebuilding the U.S. economy as the number one priority.
- The U.S. must not retreat into isolationism or protectionism. Continued U.S. leadership in the world is vital, both for world peace and to protect American interests.
- Washington must be willing to mobilize other nations for collective action. Few great goals can be reached without America, but America can no longer reach many of them alone.

Candidates who did not share these views and who called for a return to protectionism or neo-isolationism, such as conservative columnist Pat Buchanan and Senator Tom Harkin (D-Iowa), did not fare well. Clinton, who made the need for change and for a "new covenant" between Washington and the people the focal point of his campaign, won 43% of the vote, compared to 38% for Bush and 19% for Perot. Analysts point out that although Clinton is not a majority President, his election victory was a clear indication that the American people wanted change.

"In this new era," Clinton declared in a campaign speech in Los Angeles, "our first foreign priority and our domestic priority are one and the same: reviving our economy. This has been the [Bush] Administration's most glaring foreign policy failuré. An anemic, debt-laden economy undermines our diplomacy, makes it harder for us to secure favorable trade agreements and compromises our ability to finance essential military actions."

As he prepared to take over the Oval Office, President-elect Clinton made clear that his domestic agenda would focus on rebuilding America's industrial competitiveness, health-care reform, urban revival and investment in the infrastructure, but his foreign policy goals and priorities were less specific. The election did not close the debate on America's future. As Americans prepare for the challenges of the 21st century, they will continue to search for answers to these key questions:

What role should the U.S. play in world affairs?

How do America's domestic problems and the policies aimed at solving them relate to its place in the world?

What, if anything, can Washington do to solve these domestic difficulties?

The changing world

IN HIS FIRST INAUGURAL address, Thomas Jefferson, third President of the U.S. (1799–1808), thanked God for a nation "kindly separated by nature and a wide ocean from the exterminating havoc of one quarter of the globe."

The Atlantic ocean separated the fledgling U.S. from many of the wars and political imbroglios of 19th-century Europe. But, by the turn of that century, America was much larger, and the world had begun to shrink. A period of isolationism in the 1920s and 1930s ended when Japan's surprise attack on Pearl Harbor in December 1941 dragged the U.S. into World War II. After the Allies defeated Germany and Japan in 1945, America simply had no choice—circumstances demanded that Washington take an active role in international affairs.

The U.S. and the Soviet Union emerged from the ashes of World War II as the world's only superpowers, roughly equal in military strength. For more than four decades the cold war between the U.S. and the Soviet Union dominated American foreign policy.

The principle of containment, first articulated during the presidency of Harry S. Truman (1945–53), was the foundation of U.S. global strategy. It centered around Washington's efforts to contain the spread of communism. In the years between the end of World War II and the collapse of the Berlin Wall in 1989, the world was divided into three parts—the free-market democracies led by the U.S. and its major allies in Europe and Japan; the Soviet Union, China, and their Communist client-states; and the so-called Third World—the impoverished, unstable developing nations of Africa, Asia and Latin America.

End of the Third World

The final collapse of the Soviet Union in December 1991 ended that equation. The U.S. is the only surviving superpower. The former Soviet Union is now a loose association of nations stretching from Eastern Europe to the Far East, each with its own economic problems and political tensions (see Topic 6). Today, the concept of a Third World is no longer accurate. During the 1980s, the "Asian tigers"—Hong Kong, Singapore, South Korea and Taiwan—saw tremendous economic growth. So did the economies of Brazil, Mexico and other countries once referred to condescendingly as developing nations. Many of these newly industrialized states have more in common with the Japan of the 1950s and 60's than with destitute nations such as Ethiopia or Bangladesh. Other countries, such as major oil exporters like Saudi Arabia or Kuwait, have tremendous wealth but fail to distribute it equitably. Their people may suffer because of authoritarian political systems but not because of a lack of wealth.

For more than four decades, people learned to live with the threat of an all-out nuclear conflict between the superpowers that would wipe humanity from the face of the earth. Today, few people miss the cold war. Its end has brought hope that mankind will be able to establish a freer, more prosperous world. But as regional rivalries and ethnic tensions spread, many realize that creation of such a world is still a long way off. "We used to see a world divided into Free and Communist," writes veteran reporter and commentator Daniel Schorr. "Now it threatens to be divided into Settled World and Chaotic World."

The 1991 war in the Persian Gulf illustrated how regional aggression can threaten global peace. Iraqi President Hussein's army was ousted from Kuwait by a U.S.-led coalition of United Nations forces. But subsequent revelations that Hussein was closer than many analysts had realized to developing nuclear weapons illustrate the importance of controlling the spread of advanced military technology. Control of such weapons is particularly vital in the countries of the former Soviet Union, once the world's greatest nuclear arsenal. Political and economic instability among the members of the newly formed Commonwealth of Independent States is a grave concern for U.S. policy planners. Although the U.S. has little reason to fear attack from Russia, Ukraine, Belarus or Khazakhstan—the countries that inherited the Soviet nuclear stockpile—analysts worry that they will be unable to destroy or otherwise account for all the weapons in the arsenal. Some fear that nuclear materials, technology or secrets will be sold to political extremists who might use them for blackmail, or to nations bent on regional domination, such as Iran or Iraq.

Meanwhile, ancient ethnic antagonisms long suppressed by totalitarian governments have brought political instability to countries from Eastern Europe to what was once Soviet Asia. While these conflicts pose no immediate direct threat to Americans, they could easily expand, drawing in American allies. Indeed, recent history shows that political instability in distant lands and the economic turmoil that so often accompanies it can soon create domestic problems in the U.S.

Widescale immigration, world population growth and environmental pollution create another whole cluster of issues. Foreigners are entering the U.S. at the highest levels since the great era of immigration in the 1890s. Between 1965 and 1990, 14 million newcomers arrived legally, according to the Carnegie commission. Of these, 85% were non-European, mostly Hispanics and Asians. Each year between 2 million and 3 million immigrants arrive from Mexico. By the year 2000, says the commission, barely half of the people entering the work force will be of European stock.

The number of human beings continues to soar, placing even greater strain on the earth's resources. The world's total population has doubled from approximately 2.5 billion in 1950 to more than 5 billion today. By the end of the next century it is expected to reach more than 11 billion. The Carnegie commission notes that if a woman bears three children, and her children and grandchildren do the same, she will have 27 great-grandchildren. If she has six children, and her children and grandchildren do likewise, her great-grandchildren would number 216. Even if the birthrate is contained, future generations will have to deal with dwindling water supplies, growing desertification and a host of other environmental issues that will contribute to economic and political instability.

The AIDS pandemic and the growing international drug trade are not just domestic problems. Despite Washington's highly publicized "war on drugs," more than 26 million Americans still

use them. An estimated four fifths of these narcotics, including almost all of the heroin and cocaine, come from foreign lands. Their use is a direct cause of growing violence in U.S. cities and one of the main reasons behind America's high murder rate relative to other industrialized nations.

Despite these daunting problems, there are many positive international developments that will profoundly affect American life. The cold war's end will enable the U.S. to spend less on defense. If the current round of multilateral trade negotiations is successful, growing world trade will create more opportunities for U.S. business, bring prosperity to people who have known generations of poverty, and pave the way for democracy in many nations that have known only political repression. The risk of war will be reduced.

Clinton's priorities

An end to preoccupation with containing communism as the major focus of U.S. foreign policy will enable the Clinton Administration to emphasize other issues. As it trims military expenditures, and Germany, Japan and other allies are asked to pay a greater share of their security costs, the new Administration will be able to place greater emphasis on combating "threats without enemies," such as pollution and rapid population growth (see Topic 3). The Bush Administration was criticized at the Earth Summit in Rio de Janeiro in June, for example, for failure to exercise leadership on global environmental issues. The U.S. refused to sign a Convention on Biological Diversity. Although it did sign the Framework Convention on Climate Change to reduce carbon dioxide and other emissions believed to contribute to global warming, it did not agree to the setting of targets and timetables. Citing scientists who maintain that fears of global warming are overstated, the Bush Administration argued that arbitrary deadlines could impede U.S. economic growth while doing little to help the environment. Clinton and Vice President-elect Al Gore have pledged to narrow the differences between the U.S. and other nations over certain environmental issues.

The end of sovereignty

"BENEATH THE RULE of men entirely great, the pen is mightier than the sword," the English writer Edward Bulwer Lytton wrote in *Richelieu* (1839), his play about the great statesman who ruled France in the 17th century. The words are still true in the 20th century, although they may well be updated. Recent history has clearly proved that the personal computer is mightier than the bomb.

"The two revolutionaries of our era are not Marx and Lenin," writes Stephen P. Cohen, "but Bell Labs and the Boeing Corporation—inventors, respectively, of the transistor and the wide-bodied jet." These developments, maintains the University of Illinois professor, have cost the state its monopoly on information and therefore on power. This was most apparent during the pro-democracy demonstrations in Tiananmen Square in Beijing in 1989. Television news cameras that were there to record a state visit by Soviet leader Mikhail S. Gorbachev instead conveyed images of repression to millions of viewers around the world, provoking a severe backlash against China (see Topic 4).

Instant communication means that repressive regimes are no longer able to violate human rights in secret. Publicity of the massacre of Kurds in Iraq or of Muslims in Bosnia has raised questions about the nature of national sovereignty itself. What should the world's free democracies do when civil war engulfs a nation, or when a national government commits genocide against an ethnic minority within its own borders, or regularly commits other human-rights violations? Under what circumstances should the U.S., or the UN, act to prevent such atrocities? In December 1992, for example, Washington agreed to send 28,000 troops to Somalia to help protect famine-relief convoys from armed brigands battling for power. Famine and clan warfare have killed an estimated 300,000 people in Somalia since January 1991, when the government of Muhammad Siad Barre was toppled. An estimated 2 million Somalis faced starvation as winter approached. The main obstacle to feeding them came from factions battling for political control. Roving gangs stole food at gunpoint, blocked roads, and routinely interfered with UN-coordinated relief efforts. UN Secretary General Boutros Boutros-Ghali argued that the Security Council should be willing to use a greater show of military force to get aid to starving people. Washington decided to send troops after the UN agreed that they would remain under U.S. command. Britain, Belgium, France, Canada, Pakistan and Jordan also agreed to contribute troops or supplies. Germany and Japan, along with other nations, were expected to contribute funds and equipment.

President Bush's decision to send troops to Somalia raised another issue: Under what circumstances, if any, should the U.S. cede authority to the UN? "I understand the U.S. alone cannot right the world's wrongs," Bush declared. "But we also know that some crises in the world cannot be resolved without American involvement, that American action is often necessary as a catalyst for broader involvement of the community of nations." (See Topic 2.)

Double-edged sword

Instant communication can expose tyranny, as in Bosnia-Herzegovina, and spread the concept of freedom, as in Eastern Europe in 1989–90, but it can also feed ethnic strife. The breakup of the Soviet Union and of Yugoslavia created some 20 new states populated by scores of different ethnic groups, many clamoring for self-determination, or fighting for dominance in their own nations.

"Ethnic conflict is the most likely problem of the politics of the 21st century," writes Michael Clarke, director of the London-based Center for Defense Studies. According to the Royal Institute of International Affairs in Britain, researchers estimate that there are 125 ethnic-minority disputes in the former Soviet Union alone, which have killed or wounded thousands of people. Countless other conflicts smolder around the world—from Sri Lanka to Quebec, from Somalia to Peru—in the Middle East, Central Asia and Africa. Bitter rivalries that have brought violence to such peoples as the Zulu and

Xhosa tribes in South Africa were once regarded as mainly a Third World phenomenon. But the bloody ethnic disputes in post-Communist Europe painfully illustrate that "European tribalism" is just as fierce. "The American tendency to think of individual rights" makes it difficult to grasp "the depth of group identity that we're seeing now," says Adam Roberts, a professor of international relations at Oxford University. "We refer to countries as nations, but in many cases they are anything but. Some are dreadfully divided. You just can't plot people neatly around the world."

The state may be losing its monopoly as the sole arbiter of justice within its borders. Perhaps this will prove a blessing for humanity in the long run. In the Soviet Union, for example, it was estimated that during the rule of Joseph Stalin, as many as one fifth of all Soviet citizens passed through the state's vast system of labor camps known as the Gulag. Today, human-rights groups such as Amnesty International challenge the state's claim to be the sole dispenser of justice. In some cases, the International Monetary Fund, the World Bank and other UN agencies have cut aid to the very worst human-rights violators. The U.S. has also been increasingly willing to use aid as a lever, particularly in instances where cold-war diplomacy no longer requires it to look the other way, to curb the excesses of its allies. The southern African nation of Malawi, for example, was warned by U.S. officials in 1992 that aid would be restricted if the government of President Hastings Banda continued to crack down on opposition leaders. Formerly, Washington had chosen to ignore the "president for life's" autocratic approach to domestic politics because of his anti-Communist stance.

The pursuit of wealth

Globalization of the economy is also eroding the power of government in the Western world. Today, no nation can control its economic destiny unilaterally. Half of all products made in the U.S. now have foreign parts. Due to a growing web of corporate alliances, mergers and takeovers, half of all imports and exports are between companies and their foreign affiliates or parents. Corporate intrafirm trading now comprises somewhere in the range of

one third of total international trade, according to *The Economist*. State governors and big city mayors, whether they be in the U.S., Europe or China, compete for the business of multinational corporations. U.S. exports now generate one in six U.S. jobs, according to *The Wall Street Journal*, up from one in eight as recently as 1986. In just 10 years (1970–80) trade as a percentage of gross national product doubled.

The pursuit of information

In the 1980s, the economies of the U.S., Japan, Germany and other nations came to resemble one another more closely. "The features of this new global economy are still evolving," the Carnegie commission observed. "They include an ever greater reliance on telecommunications; interaction between technology, production and services; and the establishment of modern industrial production in many different countries."

In his 1992 book, *The Twilight of Sovereignty*, Walter Wriston, the former chief executive of Citicorp, asserts that the pursuit of wealth "is now largely the pursuit of information, and the application of information to the means of production." The societies that best understand the changes wrought by telecommunications, fax machines and the computerization of the workplace will adapt to this new source of wealth, he notes. Those nations that have proved unable to adapt, such as the Soviet Union and the Communist nations of Eastern Europe, fell because their highly centralized economic and political systems were intrinsically unable to come to terms with a decentralized global economy that depended on free access to unbiased information. Wriston points out, for example, that when Gorbachev came to power in 1985, the Soviet Union had only 50,000 personal computers. The U.S. had approximately 30 million. He argues that America's flexibility and openness to new technologies may make it one of the most competitive nations in the new global economy—but only if it can produce a better-educated work force, which an information-based economy demands. Today, only 25% of all American workers under 40 have finished college; another 25% have technical training. But the rest entering the work force are often undereducated and unskilled.

The decline in authority of government will not create a power vacuum. Rather, it will cause the sources of power to shift. The U.S. government now owes $2.7 trillion to investors in the U.S. and around the world, according to *The Wall Street Journal*. That debt, which doesn't include another $1 trillion held by U.S. agencies, costs some $200 billion in interest payments each year. To raise money to finance its operations, the U.S. government borrowed heavily during the Reagan and Bush Administrations. The government financed much of its debt through the sale of bonds and other debt securities. Warns *The Wall Street Journal*, "big bond investors around the world may now hold unprecedented power—perhaps even a veto—over U.S. economic policy."

The Wall Street Journal notes that if President-elect Clinton can fulfill his

campaign pledge to reduce unemployment and reinvigorate the economy without increasing the deficit and inflation, bondholders will allow interest rates to ease—giving the U.S. a further economic boost. But if his programs involve increased deficit spending or feed inflation—which reduces the value of long-term bonds—bondholders might react negatively. Bondholders now trade on average $150 billion a day in U.S. government bonds in a 24-hour global market.

Dozens of other factors affect American economic life. Oil-price fluctuations in the Middle East can strongly influence the cost of gasoline and consumer goods in the U.S. A stock market decline in Tokyo or a decision by German central bankers in Frankfurt can raise interest rates in New York, making it more difficult to start a new business, refinance a mortgage, or buy a new car. These realities make it impossible for Americans to ignore the rest of the globe while they concentrate on domestic priorities. Instability in European currency markets, or wide swings in Tokyo stocks, may seem remote to many Americans, but these developments affect the U.S. economy and may undermine progress toward the spread of free-market democracy overseas (see Topic 5).

Another world order

The information revolution is creating a "new world order"—one in which some governments and big businesses will have less control. Their power is being diffused by the emergence of comparatively new institutions and groups. The West European democracies, for example, have already ceded some state authority to the European Community (EC), which eventually plans to establish a single European currency, a unified defense force and uniform standards on health, the environment and other issues. Eventually, the EC could have the power to overrule the authority of individual states, on domestic as well as international matters.

A new foreign policy

"Clare Boothe Luce once said that a President is accorded a single sentence in the history books," William J. Bennett, who served in both the Reagan and Bush Administrations, noted in a postelection essay. "For George Bush it will read: 'He defeated a tyrant in the desert and presided over the end of the cold war.' Not a bad sentence, that."

President Bush was a product of World War II and the cold-war era, serving in such highly visible posts as director of the Central Intelligence Agency, ambassador to the UN, and special envoy to the People's Republic of China. As President, he prided himself on his many friendships with foreign leaders and often used the personal touch in conducting foreign policy. Clinton, on the other hand, comes to the White House with practically no foreign policy experience. He is of a different generation, his political views were formed during the turbulent 1960s when controversy over the war in Vietnam divided the nation. In a series of foreign policy speeches during the election campaign, Clinton emphasized the need for domestic economic and social renewal as the key to U.S. strength abroad.

Clinton's foreign policy

Promising change in foreign affairs as well as in domestic policy, Clinton outlined an internationalist vision of America, one that called for the U.S. to work with other countries and international institutions to solve problems, but also recognized that the U.S. must be ready to act unilaterally when its vital interests are threatened. "I will never turn over the security of the U.S. to the UN or any other international organization," Clinton said in a campaign speech delivered to the Foreign Policy Association. "We will never abandon our prerogative to act alone when our vital interests are at stake. Our motto in this era will be: together where we can; on our own where we must."

Clinton criticized the Bush Administration for what he said was its failure to take the initiative in a changing world. It is, he said, "a failure of vision not to recognize that collective action can accomplish more than it could just a few years ago—and it is a failure of leadership not to make use of it." Clinton also pledged that his Administration would be a stronger advocate for human rights and democracy in the world. He faulted President Bush for failing to push vigorously for aid to Russia.

In other speeches, Clinton said the U.S. should take a stronger stance within the UN to find a solution to the fighting in fragmented Yugoslavia. He called upon Japan and Germany to share more of America's defense burden, but he also said that the U.S. "must maintain its ties to NATO [the North Atlantic Treaty Organization] even as the Europeans play a stronger role both within NATO and in the evolution of their future security arrangements with the Continent." While urging a faster pace in U.S. defense-spending cuts, Clinton also pledged to maintain a strong military, reorganized to meet the threats of the post-cold-war world. In addition, he called for the UN to seek new ways to prevent conflicts: "One such idea is a UN Rapid Deployment Force that could be used for purposes beyond traditional peacekeeping, such as standing guard at the borders of countries threatened by aggression; preventing mass violence against civilian populations; providing humanitarian relief, and combating terrorism."

Clinton said his Administration would work more vigorously to slow the growing global trade in conventional arms and to cooperate with other nations to halt the spread of nuclear and other weapons of mass destruction. But above all, Clinton stressed that the key to shaping America's role in the world lay in his Administration's commitment to reestablishing U.S. industrial competitiveness through urban revival, infrastructure rebuilding, healthcare and educational reform and solving other domestic problems.

Difficult challenges

After a dozen years of Republican rule, foreign leaders are wondering how the Clinton Administration will change relations with their nations. While many foreign governments are looking to the new Administration to revive the stagnating U.S. economy in the hope that this will end a global recession, others

fear growing protectionism, or worry about sanctions because of their poor human-rights records, or fear that emphasis on domestic priorities will cause a loss of U.S. economic and military aid. The Japanese, for example, often saw the Republican White House as their defender against the pressure in a Democratic Congress for imposing protectionism. Nevertheless, Clinton has tried to win Japanese confidence by supporting Tokyo's efforts to seek a seat on the UN Security Council.

"The next chapter in American history will feature different players and different themes than in the past," writes Daniel Yankelovich, president of the Public Agenda Foundation. "The drama will focus on restoring America's competitive vitality, not its military strength. The dominant note will be pragmatism, not ideology. The competition will be with Germany and Japan, not the Soviet Union. The question of 'domestic' or 'international' will be brushed aside as irrelevant, since the domestic economy will stand or fall in the international arena."

Thomas L. Friedman, diplomatic correspondent of *The New York Times*, characterizes Clinton's views on foreign policy as "a blend of idealism and pragmatism, internationalism and protectionism, use of force and reliance on multinational institutions." The President-elect's critics, adds Friedman, charge that Clinton "wants to be all things to all men and has not really made up his mind." His supporters argue that Clinton will concentrate on bridging the gaps that once divided conservative and liberal attitudes during the cold war.

"At the core of his thinking," writes Friedman, "is the contention that, with the end of the cold war, American foreign policy needs a whole new focus. For him, that means revitalizing the American economy. Without doing so the President will have no mandate from the American people for engagement abroad because the public will be obsessed with domestic affairs."

Clinton reassesses position

But foreign policy may well offer President-elect Clinton difficult challenges while he is in office. During the election campaign, for example, Clinton attacked President Bush's China policy. "In China, the President continues to coddle aging rulers with undisguised contempt for democracy, human rights, and the need to control the spread of dangerous technologies," Clinton said. "Such forbearance on our part may have been justified during the cold war,...but it no longer makes sense." Yet, not long after his election, Clinton indicated that President Bush's China policies were showing signs of reducing human rights and trade violations.

MIXING BUSINESS AND POLITICS, *a Buick dealership in Belleville, N.J., tries to trade on patriotism to sell automobiles.*

The dilemma over human rights epitomizes the paradoxes of foreign policy today. Stephen Ambrose, the American historian and biographer, cites the example of the Carter Administration. "The [human rights] issue pleased both right-wingers, who could and did use it to criticize the Soviet Union, and left-wingers, who could and did use it to criticize Chile, Brazil, South Africa and others for their human-rights abuses. But ... [it was] directed against America's allies, who were vulnerable to Carter's pressures, rather than its enemies, who were basically immune. It made little sense to weaken such allies as South Korea, ... Taiwan and Iran and others because of objections to their human-rights record while continuing to advance credits, sell grain and ship advanced technology to the Soviet Union, which had one of the worst human-rights records in the world and was clearly no friend of the U.S."

Recent history demonstrates that realism is a more effective basis for foreign policy than idealism, argues Ambrose. Others disagree. They maintain that the White House can be a "bully pulpit" that can inspire democratic aspirations and offer concrete help. Richard N. Gardner, a professor of International Law at Columbia University and a veteran U.S. diplomat, maintains that President Carter's human-rights policy was a success because it made the issue more of a factor in relations between governments. Carter's emphasis on human rights was picked up by President Ronald Reagan (1981-89) and became a strong element in the demise of communism.

Nevertheless, many advocates of both idealism and realism agree that each case is relative. Furthermore, there is a growing gap between a President's call for a particular policy and his ability to implement it, in large part because so many more actors are involved. The media revolution has given new clout to such nongovernmental organizations as Amnesty International and the environmental group Greenpeace on issues that were once handled almost exclusively from government to government. Special interest and ethnic groups pressure congressional representatives to delve more deeply into foreign affairs that were once strictly the province of the executive branch. So do business associations and trade groups. After the massacre in Tiananmen Square, for example, the Bush Administration had to balance the competing interests of outraged human-rights activists and businesses that feared alienating China and losing trade and investments.

Three basic approaches continue to dominate the debate on the U.S. role in the world today. Neo-isolationists, or proponents of putting "America First," maintain that the U.S. should involve itself in political events beyond its borders only when America's security is at risk. The cold war's end, they argue, has drastically reduced such risks. The U.S. should continue to trade overseas and reap the benefits of the global economy, but otherwise mind its own affairs.

Realists

The so-called realists reject this view. They maintain that Washington must strive to keep the global balance of power, with the U.S. as the cornerstone for peace, democracy and prosperity. America must not shy away from unilateral action when its interests are threatened. Under Reagan, the U.S. generally favored a unilateral approach. The Bush Administration's foreign policy was mixed. In 1989, the President ignored international criticism and ordered American troops into Panama to depose the hostile government of General Manuel Noriega. But the Bush Administration also acknowledged that Washington must be willing to act in concert with other nations, as it did in the Persian Gulf war, when President Bush made certain that he had UN support before moving to oust Iraq from Kuwait.

A third group, the multilateralists or internationalists, would like to see the U.S. defer to a strengthened UN and other international organizations in dealing with many global problems. They maintain that these problems must be solved by consultation, cooperation and collective action. Violations of human rights in Bosnia, or famine in Somalia, environmental concerns and other issues that transcend national borders should be dealt with by international organizations.

Neo-isolationists, realists and multilateralists all have their critics. Neo-isolationists are faulted for their outdated version of the world, including the view that chaos in the former Communist countries or unstable developing nations poses no threat to American security. Realists are criticized for neglecting "the vast changes that have swept the world in the second half of the 20th century," in the words of Stanley Hoffmann, chairman of the Center for European Studies of Harvard University and a former editorial advisory committee chairman of the Foreign Policy Association. "The multilateralists or internationalists have not thought through how democracy and human rights could be promoted in a world in which the obstacles to both remain formidable and in which self-determination and self-government often clash with individual rights." Hoffmann calls for an American strategy that is "a delicate combination of retrenchment, realism and internationalism."

Domestic agenda

In his campaign for the presidency, Clinton repeatedly stressed that the key to a successful foreign policy begins at home. He promised to introduce a jobs program, lower taxes on the middle class and raise those on the wealthy, and cut the cost of government through attrition. People on welfare who are able to work but who have not found a job after two years would have to work, either by taking a job in the private sector or through community services. Youth who don't want to attend college will be guaranteed an apprenticeship program.

The new Administration's plan to stimulate the economy would likely involve increased spending on infrastructure, such as highways and other transportation and communication systems, as well as an investment tax credit. Clinton and his economic advisers admire certain aspects of government-directed industrial policy found in Europe and Japan. In France, for example, roughly 33% of industry is under government guidance and the country's economy is currently regarded as one of the most prosperous in Europe. Nevertheless, many analysts say the European record for industrial policy is extremely mixed. Airbus Industrie, a four-nation consortium that received $26 billion in government money, has captured more than one third of the world aircraft market. The European computer industry, on the other hand, has devoured huge sums of government funding without being able to compete.

Advocates of an American industrial policy, such as Clyde V. Prestowitz Jr., a former Reagan Administration official, maintain that free trade is only free when all nations practice it. He contends that U.S. industry suffers from the "lack of a level playing field" when competing against countries with government-managed trade, such as Japan. Free-traders counter that government interference in the private sector often props up inefficient concerns and drains America's competitive spirit. The Reagan and Bush Administrations regarded managed trade as protectionism. They maintained that the strongest incentive to world economic growth is free trade.

The argument between free and managed trade is an old one. Basically, it boils down to the degree to which people want government involved in their lives. Few endorse pure capitalism—even President Reagan, a great champion of the free market, concluded that the federal government should maintain a "safety net" for the truly needy. Nevertheless, government solutions are often contradictory. An increase in government spending and a tax cut would both stimulate the economy, but they would also increase the budget deficit. A reduction in military spending might shrink federal debt, but it also brings higher unemployment. America now spends 13% of its national income on health care—more than twice as much as it spends on defense. Cuts in Medicare and Medicaid would force individuals to pay more for health care, preventing them from spending in other sectors of the economy. Forcing businesses to pay a greater share of employees' health care will raise the cost of doing business, and could be inflationary, critics warn.

Tax debate

"Over the long haul, the only way out of the country's budgetary and economic mess is for most people to pay higher taxes, for popular government programs to be cut and for medical care to be rationed," argues David Rosenbaum in *The New York Times*. The budget deficit is now about $330 billion, more than twice what it was four years ago, and dealing with it will be many more times severe. The country's huge federal debt, "now $4 trillion, four times what it was a decade ago, has severely limited the government's options" for solving problems.

The Wall Street Journal opposes tax

increases. Commenting on Clinton's claim that, as governor of Arkansas, he kept taxes and spending down, it wrote in a 1992 editorial: "If he [Clinton] wants to take this attitude toward taxes and spending to Washington, there's a tide of public support ready to roll over the Beltway with him." It maintains that higher taxes will only feed a growing bureaucracy. "Sometime over the past generation we have evolved a new political class," the newspaper warned in another column. "And the entrenched interests of this political class deaden innovation and experimentation, create a permanent force for higher government spending, pull even the most minute decisions into Washington and keep the government locked on the same dead-end course."

CONGRATULATIONS ON YOUR VICTORY, MR. CLINTON. I HOPE YOU HAVE A FINE FIRST HUNDRED DAYS, AFTER WHICH I PLAN TO DEVOUR YOU WHOLE.
DEFICIT
ROTHCO

Disillusion in LA

Many Americans, regardless of their political affiliation, believe that the key to U.S. strength overseas lies in its domestic health. Yet there is much disagreement on how to revitalize the U.S. economy, reduce poverty and restore the nation's decaying cities.

The debate over Washington's role and responsibilities continued to rage in Los Angeles in November, six months after the rioting died down. Many residents of south-central LA complained about the failure of government to deliver promised aid. Washington's plans to create enterprise zones to entice new industry and build low-income housing were stalled. People who lost homes or businesses criticized the way $1.4 billion of federal aid for riot recovery was being distributed, maintaining that the federal organizations responsible for distributing the aid were slow and bureaucratic. "We're doing our best," an official told *The New York Times*, "but these advocacy groups won't be happy unless [government] workers stand on street corners handing out money based on nothing more than people's word" that they are entitled to it.

U.S. policy options

Few analysts dispute that, in order to be strong overseas, the nation must put its own house in order. But there is much disagreement over how the U.S. should respond to problems and potential threats, abroad and at home. What, if anything, can the U.S. government do to solve domestic problems? What role should it play in the world and what steps should it take to deal with the new problems of the post-cold-war era? Following are two major policy options and the arguments for and against them:

❑ 1. Washington must take a more active role in domestic affairs.

Pro: The Reagan/Bush laissez-faire approach to government has hurt the U.S. in the global marketplace, sped the decline of its cities, and contributed to America's current malaise. Washington must help U.S. businesses to become more competitive internationally by promoting research and development, retaliating against unfair traders, and improving the training of workers through jobs programs and educational aid. It must work actively to develop the nation's infrastructure and solve urban problems, providing a format for enterprise zones to attract business, incentives for getting people off welfare, and fighting harder to reduce crime.

Con: History has shown that most government programs are expensive, inefficient and ultimately do not work. Government involvement in industry will result in higher taxes that will hurt rather than help the economy. Experience shows that businesses prosper when they are not impeded by a vast bureaucracy. The best way to increase American competitiveness overseas is by freeing its business people to invest where they see fit. Blighted urban areas will best be helped through privatization rather than increasing public projects. Washington should concentrate on lowering taxes and cutting expenditures to reduce the deficit.

❑ 2. The U.S. must make greater use of multilateral institutions to solve world problems.

Pro: Global problems, such as threats to the environment, mass migration and arms proliferation, demonstrate that individual governments acting alone are no longer capable of protecting their people. The revolutions in technology and economic integration are also helping end the supremacy of the nation state as it now exists. Despite its size, wealth and military power, America has no choice but to join other nations in finding multilateral solutions. This does not mean that the U.S. will relinquish autonomy. Indeed, its renewed strength and superpower status will enable America to guide the rest of the world as the "first among equals."

Con: American involvement with multilateral organizations should be minimal. It is important not to idealize these institutions—they are political forums that are often dominated by narrow interest groups with their own agendas. The U.S. has often achieved greatness on the world stage by acting unilaterally. It has been a leader, for example, in cleaning up the environment at home, greatly improving the quality of life for its citizens and inspiring other countries to follow. While Washington must continue to cooperate with other nations, notably on issues like arms proliferation, it must retain control over life-and-death decisions affecting Americans.

DISCUSSION QUESTIONS

1. What goals should the new Administration set for the next four years? How much attention should be given to domestic needs, how much to foreign policy priorities? Or must they be pursued simultaneously?

2. There is disagreement on the extent of America's economic and social problems. What is your view? In your lifetime, have your standard of living and the quality of life risen, fallen or remained the same?

3. Some political analysts maintain that President George Bush failed to be re-elected because he ignored pressing domestic problems while concentrating on foreign affairs. Yet most also agree that the U.S. cannot afford to ignore international issues in an increasingly interdependent world. What, in your view, is the best way for Americans to balance competing demands for domestic reform and international involvements?

4. Does the U.S., the world's only surviving military and economic superpower, have a moral responsibility to defend freedom and spread its democratic values? If so, how?

5. Terrorism, drug trafficking, environmental decay, famine, mass migration—the solutions to these problems may require governments to cede some sovereignty to international institutions. How will this affect the ability of the individual, the community and the state to influence national policy?

6. How is the revolution in telecommunications and computer technology changing the way Americans bank, invest and obtain information? How are domestic and international politics changing as a result of the revolution?

7. Some say American business is falling dangerously behind its leading foreign competitors because of a decaying infrastructure, deteriorating educational standards, costly but inadequate health care and other social problems. Do you support this view? If not, what evidence is there to suggest American decline might be overstated?

READINGS AND RESOURCES

Brock, William, and Hormats, Robert, eds., **The Global Economy: America's Role in the Decade Ahead.** New York, Norton, 1990. 243 pp. $9.95 (paper). Experts from the public and private sector discuss the measures they think the U.S. must take to revitalize its economy.

Changing Our Ways: America and the New World. A report by the Carnegie Endowment National Commission on America and the World. Available from The Brookings Institution, 1775 Massachusetts Ave., NW, Washington, D.C. 20036. 1992. 90 pp. $9.95. The commission, made up of 23 prominent academics, business leaders, government officials, journalists and others, takes a broad look at the challenges facing the U.S. in an increasingly interdependent world.

"Fear of Finance: A Survey of the World Economy." **The Economist** (London), September 19, 1992 (special survey). 50 pp. A look at how the revolution in telecommunications is changing the world's capital markets.

Hoffmann, Stanley, "Bush Abroad." **The New York Review of Books,** November 5, 1992, pp. 54–59. The author, chairman of the Center for European Studies at Harvard, takes a critical look at the President's foreign policy.

Irwin, Wallace, Jr., **America in the World: A Guide to U.S. Foreign Policy.** New York, Praeger for the Foreign Policy Association, 1983. 246 pp. $12.95. A comprehensive introduction to U.S. foreign policy. "The Process: Making U.S. Foreign Policy," is particularly helpful.

Tucker, Robert W., and Hendrickson, David C., **The Imperial Temptation: the New World Order and America's Purpose.** New York, Council on Foreign Relations Press, 1992. 228 pp. $14.95. The authors, both academics, argue that the Bush Administration's new world order is inconsistent with traditional American democratic principles.

Wriston, Walter B., **The Twilight of Sovereignty: How the Information Revolution is Transforming Our World.** New York, Scribner's, 1992. 192 pp. $25.00. The former chairman of Citicorp offers his views on the changing nature of power.

Yankelovich, Daniel, "Foreign Policy After the Election." **Foreign Affairs,** Fall 1992. pp. 1–12. The author offers his view of America's new priorities.

ACCESS: A SECURITY INFORMATION SERVICE, 1511 K St., NW, Suite 643, Washington, D.C. 20005. Access Inquiry Service: (202) 783-6050. ■ An excellent source for timely data. Access is a nonprofit clearinghouse of information on international security, peace and world affairs. Publications: **Security Spectrum** and **Resource Brief** newsletters, directories and other resource guides.

CENTER FOR FOREIGN POLICY DEVELOPMENT, Choices for the 21st Century Education Project, Brown University, Box 1948, Providence, R.I. 02912; (401) 863-3155. ■ The Choices for the 21st Century Education Project provides curricula, including reproducible mini-units, for high school and college teachers on foreign policy issues; the center also offers workshops, institutes and in-service programs for high school teachers.

CENTER FOR STRATEGIC AND INTERNATIONAL STUDIES, 1800 K St., NW, Suite 400, Washington, D.C. 20006; (202) 887-0200. ■ Through research, conferences and publications, CSIS helps provide an understanding of critical issues; it communicates its research to legislators, academics and the public.

HERITAGE FOUNDATION, 214 Massachusetts Ave., NE, Washington, D.C. 20002; (202) 546-4400. ■ A research organization with a public policy agenda based on principles of free-market economy, limited government and a strong national defense. Publishes quarterly **Policy Review, Critical Issues** monograph series, and over 200 **Backgrounder** policy papers each year.

THE STANLEY FOUNDATION, 216 Sycamore St., Suite 500, Muscatine, Iowa 52761-3831; (319) 264-1500. ■ Promotes peace by encouraging study, research and discussion of international issues. Publishes **World Press Review** (monthly), **Middle America** (bimonthly), policy conference reports and curriculum materials.

OPINION BALLOTS

How to use the Opinion Ballots: *For your convenience, there are two copies of each opinion ballot. Please cut out and mail one ballot only. To have your vote counted, please mail ballots by June 30, 1993. Send ballots to:*

FOREIGN POLICY ASSOCIATION, 729 SEVENTH AVENUE, NEW YORK, N.Y. 10019

TOPIC 1 U.S. in a New World

ISSUE A. *The principal international role of the U.S. should be to: (Check one choice only.)*

- ❑ 1. Take the lead in solving global problems.
- ❑ 2. Work through organizations such as the UN to solve global problems.
- ❑ 3. Participate in solving international problems only when they affect Americans directly.

Other, or comment _____

_____

ISSUE B. *The domestic policy priority of the U.S. should be to: (Rank in order of importance, with 1 for most important, 2 for second in importance, etc.)*

- ____ a. Hone its competitive edge in the global economy.
- ____ b. Address social problems (education, health, crime).
- ____ c. Stimulate the economy.
- ____ d. Reduce the budget deficit.
- ____ e. Maintain its military strength.
- ____ f. Other, or comment _____

First three digits of your zip code: ____ ____ ____

Date: / /1993 *Ballot continues on reverse side...*

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TOPIC 2 United Nations

ISSUE A. *For each of the views listed below, indicate whether you:*

	Agree	Agree with reservations	Disagree with reservations	Disagree
a. The UN should be given power by the U.S. and other member states to be a world policeman.	❑	❑	❑	❑
b. The UN should have intervened more strongly, and sooner, in the former Yugoslavia.	❑	❑	❑	❑
c. The UN should have intervened more strongly, and sooner, in Somalia.	❑	❑	❑	❑
d. The U.S. should hold troops in readiness for use by the UN as peacekeepers.	❑	❑	❑	❑

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OPINION BALLOTS

In planning future GREAT DECISIONS programs, we would find it helpful to know more about participants and would appreciate your answers to the questions below.

A. *How many years have you participated in the GREAT DECISIONS program (that is, attended one or more discussion sessions)?*

- ❑ **1.** This is the first year I have participated.
- ❑ **2.** I participated in one previous year.
- ❑ **3.** I participated in more than one previous year.

B. *What is your age?*

- ❑ **1.** 17 or under ❑ **2.** 18 to 30 ❑ **3.** 31 to 45
- ❑ **4.** 46 to 60 ❑ **5.** 61 or over

C. *Your sex?*

- ❑ **1.** Female
- ❑ **2.** Male

D. *Have you been abroad during the last four years?*

- ❑ **1.** Yes
- ❑ **2.** No

E. *What is the highest level of formal education you have completed?*

- ❑ **1.** Some high school ❑ **2.** High school degree
- ❑ **3.** Some college ❑ **4.** College graduate
- ❑ **5.** Advanced degree

F. *How often are you asked for your opinion on foreign policy matters?*

- ❑ **1.** Often ❑ **2.** Sometimes ❑ **3.** Hardly ever

G. *One final question. Would you say you have or have not changed your opinion in a fairly significant way as a result of taking part in the GREAT DECISIONS program?*

- ❑ **1.** Have ❑ **2.** Have not ❑ **3.** Uncertain

First three digits of your zip code: _____ _____ _____

	Agree	Agree with reservations	Disagree with reservations	Disagree
e. The U.S. should keep troops trained and in readiness for use by the UN in peace-enforcement.	❑	❑	❑	❑
f. The U.S. should immediately pay what it owes the UN for peacekeeping and the regular budget.	❑	❑	❑	❑
g. If a government is suspected of building nuclear, chemical or germ-warfare weapons, and refuses to permit surprise inspection of the factories, the UN should impose sanctions and, if necessary, take military action.	❑	❑	❑	❑
h. If human rights are being seriously violated anywhere, resulting in injury or death to large numbers of people, the UN should intervene whether or not the government asks for help.	❑	❑	❑	❑

Other, or comment _____

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- ❑ **3.** Some college ❑ **4.** College graduate
- ❑ **5.** Advanced degree

F. *How often are you asked for your opinion on foreign policy matters?*

- ❑ **1.** Often ❑ **2.** Sometimes ❑ **3.** Hardly ever

G. *One final question. Would you say you have or have not changed your opinion in a fairly significant way as a result of taking part in the GREAT DECISIONS program?*

- ❑ **1.** Have ❑ **2.** Have not ❑ **3.** Uncertain

First three digits of your zip code: _____ _____ _____

	Agree	Agree with reservations	Disagree with reservations	Disagree
e. The U.S. should keep troops trained and in readiness for use by the UN in peace-enforcement.	❑	❑	❑	❑
f. The U.S. should immediately pay what it owes the UN for peacekeeping and the regular budget.	❑	❑	❑	❑
g. If a government is suspected of building nuclear, chemical or germ-warfare weapons, and refuses to permit surprise inspection of the factories, the UN should impose sanctions and, if necessary, take military action.	❑	❑	❑	❑
h. If human rights are being seriously violated anywhere, resulting in injury or death to large numbers of people, the UN should intervene whether or not the government asks for help.	❑	❑	❑	❑

Other, or comment _____

_____

_____

United Nations: what role in the new world?

Free from constraints imposed by the cold war, the UN faces a full—and difficult—agenda. Can it cope?

by William R. Frye

THE IDEA of a "new world order" evokes a wide spectrum of reactions. For some, it stirs hope for a more peaceful world, a world of law, the world the founders of the United Nations intended to build in 1945. For others, it evokes skepticism, concern, fear of the unknown, fear of encroachment on national sovereignty. It has even been portrayed as a sinister global conspiracy.

The phrase itself is said to have been introduced into the American lexicon by Brent Scowcroft, national security adviser in the Bush Administration. In August of 1990, the story goes, as U.S. forces began to pour into Saudi Arabia in preparation for Desert Storm to expel Iraqi forces from Kuwait, press officers sitting with Scowcroft near the presidential retreat at Kennebunkport, Maine, asked how they should explain to the media why the troops were there. "Tell them we couldn't let Iraq get away with it," he is said to have replied. "There is a new world order developing."

The phrase caught on. It began appearing in presidential public statements and in the media. But no one offered a clear description of what this new "order" was to consist of. The most that could be said was that, in the eyes of those who welcomed it, it was a regime of international law where right, not might, would prevail, war would be an anachronism, and basic human rights would be assured to all.

Conditions around the world did not resemble that image. Even after a spectacular military victory over the Iraqi army by a coalition of UN members' forces, the world community was far from orderly. From the Balkans to Central Asia, and from Quebec to Angola, there was an explosion of micronationalism, that is, ethnic self-assertion in which each group sought to achieve sovereignty at the expense of a rival. If a new world order was taking shape, it was not yet peaceful.

For the first time in centuries, however, it was realistic to envisage something other than power politics as the determinant of world affairs. The world community had demonstrated it could act cooperatively to solve common problems. The institution through which such action could be taken, the UN, had been handicapped throughout the cold war by intense and pervasive rivalry between the superpowers; now that paralyzing burden had been lifted.

First among the purposes of the UN listed in the Charter is "to maintain international peace and security, and to that end: to take effective collective measures for the prevention and removal of threats to the peace, and for the suppression of acts of aggression or other breaches of the peace...." Thus the underlying assumption of the drafters of the Charter was that, when action to restore peace was needed, it would take the form of "effective *collective* measures."

Chapter VII of the Charter spelled out what such measures could be. They "may include complete or partial interruption of economic relations," it said, "and of rail, sea, air, postal, telegraphic, radio and other means of communication, and the severance of diplomatic relations." (Article 41) Should this not be sufficient, the Security Council was further authorized to "take such action by air, sea, or land forces as may be necessary to maintain or restore international peace and security." (Article 42) Provision was made on paper (Articles 43–48) for enough

SOMALI GUNMEN SWAGGER *past a UN airplane on an airport runway near the capital city of Mogadishu.*

UN SECRETARY GENERAL BOUTROS-GHALI *answers questions after a Foreign Policy Association speech.*

armed force to fulfill this mandate.

But the postwar world was not congenial to this ambitious plan. Each of the two superpowers could veto action to carry it out, and so the necessary force was never mobilized.

Now that the cold war is over, and the U.S. and Russia are cooperating in the UN, should the world organization try again? Leaders of the 15 countries represented in the Security Council, who held an unprecedented summit meeting of the council in January 1992, are among the many who think so. They pledged to strengthen the UN's capacity for preventive diplomacy, peacemaking and peacekeeping, and asked the new secretary-general, Boutros Boutros-Ghali of Egypt, to outline means to that end.

Responding to their request, Boutros-Ghali wrote a 48-page report called *An Agenda for Peace:*

"In these past months a conviction has grown, among nations large and small, that an opportunity has been regained to achieve the great objectives of the Charter—a UN capable of maintaining international peace and security, of securing justice and human rights and of promoting, in the words of the Charter, 'social progress and better standards of life in larger freedom.' This opportunity must not be squandered. The organization must never again be crippled as it was in the era that has now passed."

Is this the direction in which the world's people want to go? A great many Americans say yes, as shown in a Roper Organization poll taken in March 1992. By a margin of 58 to 28, people questioned in that poll favored UN intervention—even against the wishes of a national government—in "internal conflicts that cause massive suffering and death to many civilians."

At the same time, however, approval of UN peace-enforcement is not unanimous. Some who have long distrusted the UN resist the idea, focusing more on the organization's past inadequacy than on its future prospects. In an October 1992 study for The Heritage Foundation, a conservative think-tank based in Washington, Andrew J. Cowin writes: "In the euphoria following the end of the cold war, and the newfound respect shown the UN, a danger arises that policymakers will let their misguided idealism get the better of them. Congress and the President should take a clearheaded, realistic look at UN peacekeeping and establish some priorities for U.S. policy. These should be: (1) defend American national security; (2) protect the American taxpayer; and (3) avoid surrendering American sovereignty to the UN bureaucracy....The UN is a poorly run institution that should not be entrusted with preserving global peace."

The underlying question is: Which should have top priority? Each country's national interest? Or collective security based on the principle that one country's concern is every country's concern?

President Woodrow Wilson (1913–21) was the first political leader to seek to institutionalize collective security. He persuaded Europeans to write it into the Covenant of the League of Nations as a keystone of the post-World War I order. But isolationism swept the U.S., and Congress refused to join the League of Nations. Wilson's vision failed, and World War II followed.

Today, there is a wave of what might be called neo-Wilsonianism. As in 1918, it is in conflict with traditional views of national interest which can make collective action difficult or impossible. As Boutros-Ghali has put it, "The UN is a gathering of sovereign states and what it can do depends on the common ground that they create between them."

There was enough common ground among governments in 1990–91 for the UN Security Council to authorize a highly successful war against Iraq, which had invaded Kuwait in August 1990. Preventing Iraq from controlling a major share of the world's oil supply was seen to be in the interest of a sizeable coalition of governments. So they went to war, emphasizing that they were repelling aggression.

But a few months later, still in 1991, Serbian troops and irregulars began a campaign of "ethnic cleansing" to establish hegemony over all territory of the former Yugoslavia where Serbs lived, even as minorities. Hideous fighting followed, civilians often being the principal victims.

For more than a year, there was no consensus, in Europe or in the U.S., as to whether the outside world had a compelling interest in halting this fighting. Out of humanitarian concern, several steps were taken, including an embargo on arms and a supply line for food and medical supplies for besieged Sarajevo, capital of Bosnia and Herzegovina. When this proved insuf-

ficient, there was for more than a year great reluctance to do more.

An effort in Africa to deliver food supplies to millions of Somalis dying of starvation was also frustratingly slow in accomplishing its goal. Key members of the Security Council, including the U.S., at first resisted the application of enough force to overcome the theft of supplies at gunpoint by gangs, thieves and clan militia. Boutros-Ghali was so upset by the delays that he took the unusual step of protesting to the UN Security Council. Much later, the U.S. took the lead in pressing for vigorous action.

Were Yugoslavia and Somalia ineligible for prompt rescue by the world community? If so, there is more support for collective security in principle than there is in practice. Is peace-enforcement, and even relief of starvation, something the world community does zealously on some occasions, but not on others?

To some, including The Heritage Foundation, selectivity is normal and even desirable. "The U. S. has little or no economic and strategic interests in Cambodia, Somalia and Yugoslavia," Cowin wrote. "American soldiers should not be put at risk if U.S. national interests are not endangered....Neither the U.S. nor any other country is likely to sustain casualties indefinitely to perform what essentially is a charitable service of little consequence to their national security."

By contrast, a report prepared by the United Nations Association of the U.S.A., Partners for Peace: Strengthening Collective Security for the 21st Century, sees an unsettling parallel between today's neo-isolationism and the world's aloof reaction to the aggressive maneuvers of the Nazi dictator Adolf Hitler just prior to World War II. Then, too, it was said that the outside world should not be concerned unless its interests were directly threatened. That they had in fact been threatened became painfully apparent in retrospect.

What some would call "altruism," others would see as a farsighted investment in a peaceful world. Indeed, some might see reason for hope that the world had progressed since Cain asked, "Am I my brother's keeper?"

Do "We, the peoples of the United Nations," really want a new world order based on collective security? By definition, collective security is not selective, it is comprehensive. Should governments participate, even if their short-range national interests do not appear to be involved? It is not too early to begin answering such questions.

A "BLUE HELMET" *takes cover as firing breaks out near the UN residence in Sarajevo.*

Somalia: the challenge of chaos

SOMALIA is a country slightly smaller than Texas with a population of 7 million. A former colony of both Britain and Italy, it was long a cold-war pawn, courted first by the Soviet Union and later by the U.S. For two years it has been struggling for survival, its people decimated by widespread starvation, its government all but nonexistent, its best agricultural land a barren desert after years of drought.

The current crisis began in 1991, when leaders of the United Somali Congress (USC), one of the country's several insurgency movements, overthrew Somalia's brutal dictator, Mohamed Siad Barre. After the coup, the USC named Mohammed Ali Mahdi interim president. General Mahammed Farrah Aidid, the USC's chairman, rejected the USC's choice and turned his army against Mahdi's forces. The power struggle that ensued has escalated into a sporadic war resulting in social chaos and widespread destruction. As of December 1992, there was no functioning government and the country's infrastructure had been destroyed.

Toward the end of November 1992, an estimated 1,000–2,000 Somalis were dying of starvation every day, and millions more were at risk. It has been called the "worst humanitarian disaster in the world today." Relief efforts were severely hampered by fighting and theft. Private international humanitarian organizations like the International Red Cross resorted to bribing soldiers with money—or part of the food shipments—for protection. More than half of the relief food was stolen or "otherwise distributed."

For months, the UN was under fire for its late and ineffectual response to the crisis. The UN pointed to slow action by the Security Council, the unwillingness of governments to risk manpower and UN rules that do not allow relief personnel to work in dangerous areas. UN Secretary General Boutros Boutros-Ghali admonished the Security Council for allocating too many resources to a "rich man's war in Yugoslavia" while turning "a blind eye on a crisis because it takes place in Africa." By late November 1992, the UN mission to Yugoslavia had resources of $630 million and 22,500 UN troops; the UN operation in Somalia had a budget of $23 million and 500 troops who had not yet been deployed. Others blamed the UN bureaucracy and UN members. "The UN relief effort has been late and the scale of suffering has been magnified because of the inattention by the UN member states and the lack of coordination and inefficiency of a bloated UN bureaucracy," charged Senator Nancy Landon Kassebaum (R-Kan.).

On November 25, the Bush Administration decided to offer the UN a sizable contingent of troops for an expanded Somali peacemaking force. As this article went to press, the UN Security Council and the secretary-general were considering how to deal with conditions that the White House reportedly had attached to the offer: an American, not a UN, command; freedom to operate without limitations on the mandate; and participation by other countries as well. Some analysts projected that the presence of U.S. troops would save the troubled UN mission.

Where UN Forces Keep the Peace

The three levels of UN activity

THE UN is sometimes referred to as if it were a sentient entity with a will of its own, separate from the governments that make it up. A phrase such as "The UN failed..." or "The UN disregarded..." can be useful shorthand, but it is not a literal description of what happened.

The UN is a tool, or better, a shopful of tools which can be used skillfully or used clumsily—or, perhaps, not used at all. The UN has instruments to deal with challenges of at least three different orders of magnitude: (1) disputes which are amenable to mediation, conciliation, behind-the-scenes negotiation, and other forms of peaceful settlement; (2) wars which have broken out, or are about to break out, but which the belligerents are willing to see halted or avoided, provided there is neutral intervention; and (3) conflicts which one party, at least, is determined to pursue. The tools are peacebuilding, peacekeeping and peace-enforcement.

Peacebuilding

Sometimes peacemaking consists largely of what diplomats call waffling—pounding the table, hurling invective, demanding "action," but not really expecting or wanting any action. "Jaw-jaw, not war-war," Winston Churchill called it. Waffling deliberately distracts attention from the fact that no action is contemplated. Virtually all governments do it, from time to time. The UN offers all kinds of channels and platforms.

Sometimes the waffling, done very much in public, screens private efforts at settlement of a problem. One well-known instance led to the end of a blockade which the Soviet Union had imposed on Berlin in 1948 in an effort to drive the Americans, British and French out of the sections of the city that they had occupied since the end of World War II.

While the issue was debated in livid terms in public, the U.S. ambassador-at-large Philip C. Jessup quietly approached Soviet ambassador Jacob Malik in the UN delegates' lounge and inquired whether Soviet dictator Joseph Stalin's terms for a negotiated settlement had changed, as they appeared to have done. He was told that yes, a key Soviet demand—omitted in an interview which Stalin had recently given to the press—was omitted intentionally and was significant. Jessup suggested that the matter be explored further, and a face-saving settlement was reached.

At other times, peacemaking is patient, quiet diplomacy. In recent years, a UN mediator spent what must have seemed like a short lifetime trying to obtain a withdrawal of the Soviet army from Afghanistan and bring an end to civil war. Under this scenario, the Soviet puppet regime would face free elections and lose power. For years, it looked like an impossible assignment; civil war raged for 11 years, both before and after Soviet withdrawal. But in 1989, the Soviet army did go home, and the puppet regime ultimately fled.

Such assignments often are given to the UN when all else has failed, or when no one else is acceptable to the parties. Inevitably in the UN, too, success may be limited.

A former U.S. secretary of state, Cyrus R.Vance, was sent to Croatia by the UN Security Council in the early stages of the breakup of Yugoslavia (1991–92), when Serbia invaded Croatia. His task was to negotiate a cease-fire and seek consent to the stationing of UN peacekeepers in areas where the fighting was most intense. The truces he obtained broke down regularly, but he did eventually get a cease-fire and acceptance of a peacekeeping mission.

On the Berlin blockade, the right tools had been used, and the results were excellent. In Afghanistan, the task had been too big for simple mediation, though mediation did contrib-

ute to ultimate success. In Yugoslavia, the violence of the fighting was far too great to be controlled by peacebuilding (or, for that matter, peacekeeping and limited peace-enforcement).

Peacekeeping

In July 1956, Egyptian President Gamal Abdel Nasser nationalized the Suez Canal. Three months later Britain (for which the canal had long been a vital pathway to empire), France (which had constructed the canal the previous century) and Israel (which had been denied full use of the waterway) went to war. Israeli forces swept into the Sinai peninsula, and soon thereafter Britain and France landed troops at Port Said.

World reaction was explosive. The Kremlin proposed that the U.S. and the Soviet Union intervene jointly on Egypt's side—something which the Kremlin well knew the U.S. would not do, but which hinted ominously at possible unilateral action by Moscow. Given U.S. obligations under the North Atlantic Treaty Organization and American ties to Israel, Soviet intervention could have touched off World War III.

British and French vetoes prevented the Security Council from acting. Assuming control, the General Assembly (which was already in session) worked virtually around the clock seeking a cease-fire. At about 4 a.m. on November 2, Lester B. Pearson, then the Canadian external affairs minister, took the podium and offered a new approach. He proposed that "with the consent of the nations concerned," an "emergency international UN force" be created "to secure and supervise" a cease-fire. He offered a resolution to that effect under which the then secretary-general, Dag Hammarskjöld of Sweden, would be instructed to draw up a blueprint for the force.

There followed 11 days of intense activity which changed the diplomatic history of the 20th century. In that incredibly short time, the Canadian resolution was passed, Hammarskjöld's blueprint (including the legal framework) was prepared and approved, the troops were recruited, and the first elements of the force were deployed.

Thus began the practice of interjecting a UN "plate-glass window" to encourage belligerents to do what they were otherwise persuaded was in their interest but did not wish to do on their own—namely, to stop fighting. Britain was under immense pressure from U.S. President Dwight D. Eisenhower (1953–61) to abandon the invasion; Ike is understood to have telephoned British Prime Minister Anthony Eden (1955–57) the first day and demanded that Eden "get the hell out in 24 hours" or the U.S. would cut off Britain's oil supplies.

In the years that followed, an estimated 548,000 military, police and civilian personnel have served in peace forces under the UN flag in 27 dangerous or difficult places around the world. As of January 1992, more than 800 of them from 43 countries had died on duty. (The war against Iraq, which was not peacekeeping but peace-enforcement, is not included.)

The blue helmets

Soldiers without guns, or only light arms. Soldiers who go only where invited. Soldiers who fire only in self-defense. It is one of the most innovative concepts in diplomatic history. And in defiance of traditional logic, it has worked. UN "blue helmets" have kept the lid on explosive situations, stabilized and perpetuated uneasy armistices, helped ex-colonies become independent and supervised elections in countries harassed by guerrillas.

UN peacekeeping did not have a wholly free ride. The Soviet bloc resisted peacekeeping (and peace-enforcement) bitterly, refusing for years to pay its dues. The cold-war Moscow never forgot that the General Assembly, where there is no veto, had asserted (and exercised, in 1950) a legal right to direct troops in the field. This undercut Soviet control of peacekeeping. When Africa and Asia wanted to punish the "colonialists" in the Congo, in 1960, Moscow briefly cooperated, but soon was again on the warpath when Soviet influence, too, proved to have been barred from Central Africa by UN intervention.

Despite opposition, peacekeeping took on a life of its own. Each successful undertaking encouraged further use elsewhere. In the eyes of many, UN peacekeeping armies compensated in part for the absence of the fighting armies which the UN was supposed to have had. Hammarskjöld dubbed the blue helmets Chapter Six and a Half forces—that is, forces halfway between Chapter VI of the Charter (pacific settlement) and Chapter VII (peace-enforcement).

There was and is an important distinction between peacekeeping by neutral interposition forces, deployed by consent, and imposition of peace by force of arms. Over the years, the borderline between the two has started to become blurred. As the blue helmets' assignments have broadened, and it has been harder to discharge the larger tasks, there has been pressure to give peace forces more muscle.

Some governments have wanted the requirement of consent to be diluted or bypassed. Others have urged that the right to fire only in self-defense be reinterpreted to permit suppressing interference with the UN's performance of its mission. When UN peacekeepers came under fire as they tried to protect a humanitarian lifeline to Sarajevo, in Bosnia-Herzegovina, it was argued that the UN should be free to resist with force. Would this not be an acceptable form of self-defense? Boutros-Ghali agreed, and the Security Council endorsed his view, thus significantly expanding the mandate of the Bosnia peace force.

'Six and Three Quarters'

The same question arose in Somalia, where a UN peace force was trying to protect food distribution. There, too, the wraps were being taken off as this article went to press. Perhaps this kind of thing could be called Chapter Six and Three Quarters peacekeeping. It is, however, still controversial. UN traditionalists argue that peace forces must always be strictly neutral if they are to succeed.

Boutros-Ghali has often indicated sympathy for the tougher approach. He is clearly an activist secretary-general. But long before he arrived on the scene, peacekeeping had also been evolving in still other ways.

In Nicaragua, by supervising and policing an election, the UN lubricated a transition from a government of the left to a de facto coalition with the center. The new, elected regime was far enough toward the center to satisfy Washington and permit the disarming of the "contras" (counterrevolutionaries) who had previously been the cho-

sen instrument of the U.S. for change in Nicaragua.

The end of the cold war has been helping to make such changes feasible. Soviet ambassadors stopped casting vetoes during the regime of U.S.S.R. President Mikhail S. Gorbachev, and his Russian successors have not revived the practice.

In Angola, for example, one of Moscow's former outposts of empire, a team of UN peacekeepers supervised and verified the withdrawal of Cuban forces from the country. In so doing, the UN was giving effect to compromises reached, more or less privately, by Washington and the new Moscow.

A peacekeeping operation in Cambodia, first deployed in late 1991, involves one of the largest UN peace forces to date (some 22,000 soldiers, police and civilians). It, too, has benefited from newfound cooperation between the two former cold-war rivals—and, interestingly, China as well.

It is neither a small nor a simple assignment. What the UN is, in effect, doing is trying to govern Cambodia until that nation can be put back on its feet after decades of civil war and foreign occupation. The country is physically debilitated; its population has been massively displaced; and the threat of renewed warfare among four rival contenders for power is only a micromillimeter below the surface.

All this the UN mission is trying to handle with peacekeeping, not peace-enforcement, tools. It would be a remarkable achievement if it succeeded. But who else could seriously try? It is entirely possible that the UN is the only authority in the world which could remotely hope to restore order in Cambodia peacefully.

Peace-enforcement

If there is an overriding inference to be drawn from the UN's experience with peacebuilding and peacekeeping, it is this: that in most cases, persuasion needs to be combined with meaningful pressure if conflict-resolution is to succeed. This is not to say that mediation, supervised negotiation, appeals to world opinion and now and again some waffling are irrelevant. It is certainly not to say that UN peacekeeping on the basis of consent is fruitless. Experience has shown that peacemaking short of force can be immensely valuable.

But it is rarely enough. Almost always the world's diplomatic circuits are exploding, behind the scenes, with pressure—with carrots, sticks, threats, countermeasures, even assassinations, troop movements, military and naval posturing. Bombing Libya, mining Nicaraguan harbors, blockading Cuba, seizing Iranian or Iraqi assets—these are things the U.S. (for example) has done in the not-so-distant past. In each case, the idea was to influence the outcome of a dispute that was also being dealt with by other means.

When pressure, too, fails, some additional force may be needed. One alternative is an appeal to the UN Security Council for collective action by the world community. Just the threat of such action, if credible, might make a wrongdoer think twice. If not, if war proved unavoidable, then that war would have greater moral sanction and a greater chance of success. As has been said, war for the purpose of enforcing law has the "might of right." It mobilizes the world community on the side of a new and better world order.

No consensus for war

This, of course, assumes that the world community is in fact judging correctly that a violation of international law has occurred. It also assumes that nation-states are willing to take action, up to and including military action, on behalf of law, whether or not they have any other interest in the outcome. These assumptions are far from axiomatic today. There is no consensus on when and for what purposes the world community should go to war.

For example:

- To halt aggression, as in Kuwait?
- To prevent a country from building, or retaining, nuclear, biological or chemical weapons? (The UN already is doing so in Iraq. But Iraq committed aggression.)
- To meet a military-humanitarian emergency, as in Bosnia-Herzegovina, or Somalia?
- To halt egregious abuses of human rights, as in Cambodia under the Khmer Rouge (1975–79)?

The truth is that perceived national interest profoundly influences governments in their decisions as to when, where, on what scale, and for what reasons the UN should intervene with armed force.

In democracies, public opinion obviously matters. But public views also frequently diverge from the Wilsonian ideal. Moreover, popular support for intervention is often hard to gauge. The general public may not feel well enough informed to take a position.

Perhaps it was a measure of public attitudes toward collective security that even in the case of Iraq's invasion of Kuwait, where tangible American interests were apparent, Senate authorization to use force was obtained by the narrowest of margins. This, after the UN Security Council had approved multilateral action at the urging of the Bush Administration.

It appears that many people are in favor of effective collective security in principle, but uncertain whether they would always approve it in practice.

Much would be likely to depend on whether enough countries were carrying what was considered a fair share of the load. There is wide resistance to the U.S. being the sole policeman of the world. In the war against Iraq, some of the burden was widely shared, and the war ultimately became immensely popular.

'Agenda for Peace'

In his *Agenda for Peace*, Boutros-Ghali made provision for wide burden-sharing. He proposed that governments set aside volunteer units to act as quick-response troubleshooters on behalf of the UN. He later told an interviewer that he had in mind units of "up to 1,000 trained personnel" each, armed to fight. They would thus give the UN "teeth" more significant than the power the blue helmets are normally allowed to use. But they would still not be full-fledged world policemen under Chapter VII.

Explaining the idea, Boutros-Ghali wrote: "Such peace-enforcement units should not be confused with the forces that may eventually be constituted under Article 43 to deal with acts of aggression...." There probably would not be enough men to fight a Desert Storm against Iraq, but there would be enough to supply food and medicine to starving Somalis over the resistance of armed gangs of thieves and warlords. Perhaps there would be enough to make sure that food and medicine got through to refugees caught in a Serbian blockade in Bosnia.

President George Bush was among

the first to respond to Boutros-Ghali in generally favorable terms. He told the UN General Assembly in September 1992 that "nations should develop and train military units for possible peacekeeping operations and humanitarian relief." He promised that American "combat engineering and logistical units" would be trained "for the full range of peacekeeping and humanitarian activities."

As for full-scale Chapter VII warmaking, it seems highly unlikely that the UN will soon build a standing army to conduct such actions. As Boutros-Ghali himself acknowledged, his plan for standby volunteer units is much less ambitious. Countries such as the U.S. that have the capacity to organize a large-scale unilateral operation can always do so, and then seek UN approval if they wish. If approval is granted, they can fight under the UN flag, as a coalition did in Desert Storm.

There have been only two instances other than Desert Storm when this has happened in the UN's nearly 50-year history: Korea (1950) and the Congo (1960–62). In each case, the imprimatur of the world organization was immensely useful in building popular support.

Who pays the bill?

Adlai E. Stevenson, the U.S. ambassador to the UN (1961–65), told of a woman in one of his lecture audiences who complained bitterly that the UN was "undemocratic."

"Undemocratic?" Stevenson asked. "How so?"

"Well," she replied, "they're always voting us down, aren't they?"

This was in the 1960s, when the U.S. did begin to lose the majority it had had in the General Assembly for some 15 years. A flood tide of new members, many of them former colonies, were coming into the organization with a new perspective on the world's problems. Their top priorities included a desperate need to escape from poverty, hunger and illiteracy. Many of them saw the Western industrialized world as ex-colonial masters, responsible in part for their plight. And the Soviet bloc encouraged them in this view.

Under the Charter, General Assembly decisions are recommendations, not directives with binding force. But on the budget, they stick. So the new majority controlled the purse strings. In 1985 the Reagan Administration, in an effort to marginalize the Third World and impose "budgetary responsibility" on the UN's top-heavy bureaucracy, began withholding dues, a practice which the Soviet bloc had pioneered and the U.S. had scorned. Today, with the cold war over, the U.S. has regained its predominant role in the UN, and in 1990 it began paying some of its arrears.

As of September 30, 1992, the U.S. still owed close to $525 million to the UN's regular budget. Roughly half of this was from prior years; the rest was delayed payment for 1992. In addition, Washington owed $129 million in peacekeeping dues. The total, roughly $654 million, was nearly half (44%) of all money owed to the UN by all 179 member states on that date, current and past-due. Russia owed $420 million, or 28%. Only 16 countries were fully paid up; most of the rest, aware that the biggest countries could get away with it, withheld some or all of what they owed, too. A few days after an official report to this effect was made public, the U.S. came across with $225.8 million of its calendar year 1992 dues.

The U.S. is assessed 25% of the regular UN budget (which totaled just over $1 billion in 1992) and some 30% of the peacekeeping budget ($1.4 billion). These shares are based on a modified ability-to-pay formula (modified, that is, in the U.S. favor). Japan is assessed 12% of the regular budget; Russia and Germany, 9%; France, 6% and Britain 5%. All the rest are assessed less than 5%.

It is easy to find a two-thirds majority of the General Assembly from among countries that pay the minimum, but some recent budgets have been adopted by consensus, meaning that the views of the large contributors had been given weight. This is not the same thing as having a veto, or a weighted vote, but it is a step in that direction.

The specific amounts are not really the principal reason for tension within the UN on financial matters. The entire amount that the U.S. will be assessed for UN peacekeeping in 1993 probably will not amount to one fifth of one percent of the Defense Department budget.

The real problem is that financial stringency creates an atmosphere of constraint—and is intended to. The U.S. is pressing for a "no-growth" budget at a time when new and expensive demands are being made on the UN virtually around the world. "A chasm has developed," Boutros-Ghali recently put it, "between the tasks entrusted to this organization and the financial means provided to it. The truth of the matter is that our vision cannot really extend to the prospect opening before us as long as our financing remains myopic." Whether for financial or other reasons, it now can take months to get UN peacekeepers deployed when in 1956, it took 11 days.

Several times in recent years, secretaries-general have had to borrow from peacekeeping funds to meet a payroll. A UN-

UN PATROL BOATS *are used to check for weapons-trafficking on Cambodia's waterways.*

UN VOTES TO EJECT YUGOSLAVIA
YES, DECISIVE ACTION!! STRONG MEASURES!!
SO, WE'VE THROWN OUT THAT YUGO BLIGHTER, EH?
YOU HAVE TO GO NOW YOU HORRID LITTLE MAN, GO ON BE OFF
YOU'LL NEVER EAT LUNCH IN THIS TOWN AGAIN
SERBS
DANZIGER

related organization, the International Atomic Energy Agency, whose duty it is to enforce the treaty barring the spread of nuclear weapons, has had to skip or postpone inspections it would like to have conducted; the money was not available.

The U.S. does not often say so publicly, but Washington feels this constraint has its constructive side. It is an incentive to trim down marginal undertakings, and resist new ones. It encourages streamlining of the UN bureaucracy. It motivates more stringent auditing, which recent disclosures (for example, in *The Washington Post* series cited in the bibliography) of alleged fraud have shown to be wise, and is being seriously considered.

Should the UN go outside, to the private sector, for money? For example, should it ask foundations and individuals, as well as governments, for contributions to a Peace Endowment Fund? Both Boutros-Ghali and his predecessor, Javier Pérez de Cuéllar, have urged this step. Why not let the secretary-general charge interest on dues not paid on time? Why not let the UN float bonds (the governments guaranteeing payment of principal and interest)? The interest could even be made tax exempt, it is argued.

Alternate financing raises questions of sovereignty, its critics say—the UN, in effect, taxing citizens of sovereign states. But a deeper objection, many suspect, is that alternate funding would release some of the pressure on the UN to reform what its critics see as "tax and spend" ways.

Major contributors to the UN clearly want more say on budget matters than the Charter gives them, and the majority is reluctant to surrender the purse strings. In the last analysis, this tension is a part of the struggle between the prosperous, industrial North and the poverty-ridden South—a struggle which many feel may become as significant a feature in world affairs as the East-West struggle was during the cold-war years.

In the spring of 1992, the U.S. ambassador to the UN, Thomas R. Pickering, privately suggested that at least some of the U.S. contribution to UN peacekeeping come out of the Defense Department budget, not that of the State Department where it is lumped with "foreign aid" and suffers by association. Later, Senator Paul Simon (D-Ill.) offered legislation in Congress which, if adopted, would have that effect.

As a Defense Department appropriation, the U.S. share of UN peacekeeping costs would be a feather in the wind. The entire cost of 47 years of UN peacekeeping (to January 1, 1992) was $8.3 billion, of which the U.S. was assessed or paid voluntarily less than $2.5 billion. Over 47 years, that averages $53 million a year. Defense budgets typically run to hundreds of billions a year, or perhaps 7,000 times as much.

One relevant passage in President Bush's speech to the UN last September seemed to toy with the idea of treating UN peacekeeping as a contribution to American defense: "...the U.S. will review how we fund peacekeeping and explore new ways to ensure adequate American financial support for UN peacekeeping and UN humanitarian activities. I do believe that we must think differently about how we ensure and pay for our security in this new era."

The UN's future role

THE BASIC question remains: Should workable collective security—the practice of all for one and one for all—be part of a new world order for the 21st century?

Many signs suggest that the answer is no. The U.S. wants the result, but shrinks from the price. A year after the successful war against Saddam Hussein's Iraq, there was much less enthusiasm for collective action to counter Serbian aggression against Croatia and Bosnia-Herzegovina. There, the reaction of the world community, notably in Europe, was to try negotiation, peacekeeping and humanitarian aid to civilian victims. Step by cautious step, Europe and the UN crept toward enforcement of sanctions and such quasi-military pressures as a ban on the use of Serbian air power. As this article went to press, nothing had significantly slowed the brutal Serbian advance.

Was this caution just a function of the fact that "there is no oil in Yugoslavia"—that is, that major national interests were not seen to be at stake? Or was it a reflection of the practical difficulties involved in stronger intervention? The difficulties were real: the physical and emotional terrain; the furious passions on all sides, the hatreds that went back 600 years; the danger that the war would spread. There was even a possibility that if the West became deeply involved, Iraq would try to open up a "second front" in the Persian Gulf.

The bottom line was that the Serbian aggression went without effective constraint despite the dedicated efforts of mediators, the courage of blue helmets under fire and the humanitarian lifeline in Bosnia that eased some of the worst of the civilian suffering. The UN and Western Europe had used the wrong tool: they had tried to halt aggression with peacekeeping methods. One cannot keep peace when there is no peace to keep.

It was also disappointing to advocates of collective security when the UN Security Council was unable for nearly two years to get sufficient food to millions of starving Somalis. The UN was reduced to negotiating its way to the relief centers, not having the power on site to reach them safely. Here a classic case where peacekeeping, limited to what the parties would accept, was impractical.

Yugoslavia: tinderbox

THE BALKAN WAR being fought in the territory of the former Yugoslavia is now the site of the largest aid and peacekeeping operation the UN has ever attempted. It is also the first time that the UN Security Council has voted in effect to permit the use of force if necessary to protect relief shipments. Many see the Balkan effort as a test of the UN's ability to play a more ambitious security role in the post-cold-war world.

The ripple effect of the fall of the Berlin Wall in 1989 shook loose the ethnically diverse country once held together by the iron fist of Communist Marshal Tito (1943–80). The former Yugoslavia has been replaced by five independent republics: Yugoslavia (Serbia and Montenegro), Croatia, Slovenia, Macedonia, and Bosnia-Herzegovina. Serbia originally hoped to preserve Yugoslavia in the form of a strongly centralized federation. After Croatia and Slovenia seceded on June 25, 1991, Serbia demanded that the republics be restructured so that it could incorporate Serbian-dominated regions into a "Greater Serbia." Serbia attacked Croatia, where Serbs constituted a 17% minority, in June 1991. In the spring of 1992, Serbian forces marched into Bosnia-Herzegovina and surrounded the capital of Sarajevo to drive out the Muslims. (The population of Bosnia-Herzegovina at that time was 44% Muslim, 31% Serbian.) To the horror of the world, Serbian troops engaged in "ethnic cleansing," seeking to expel all non-Serbs from the region. The Serbian attacks have killed thousands of Muslims, provoking an exodus of 1.6 million refugees, the largest number in Europe since World War II. Abandoning their one-time ally, the Croatians have since joined the Serbs in carving up Bosnia, claiming substantial territory for themselves.

The UN's initial response to the civil war was an arms embargo on the whole of former Yugoslavia, issued in September 1991. In February 1992 the first peacekeeping force was dispatched to Croatia to monitor a cease-fire negotiated by Cyrus R. Vance, former U.S. secretary of state. By November 1992, relief personnel were pouring in. It is estimated that by the end of that month 22,500 soldiers, policemen and civilian administrators had been dispatched to Yugoslavia, Croatia and Bosnia—2,500 more than the former record set in the Congo in 1960.

As of December 1992, the 6,000 peacekeeping soldiers stationed in Bosnia-Herzegovina had been unable to curb the fierce fighting between Serbs, Muslims and Croats: cease-fire after cease-fire collapsed. Food and medical relief, protected by armed troops, was still slow to arrive in the most needy areas like Sarajevo. "A UN failure in Yugoslavia...." wrote *New York Times* correspondent Paul Lewis, would "represent a setback for the hopes expressed by Boutros Boutros-Ghali and others that UN peacekeepers can gradually come to play a more aggressive role in enforcing peace and civilized standards of behavior...."

Where is the UN heading? At best, it is groping its way. Optimists would say that the failures are themselves teaching useful lessons. Skeptics would say that the world was far from an authentic commitment to Boutros-Ghali's agenda for peace.

Is the UN doing too little, or is it doing too much? It has gone further than the traditional view of sovereignty and national interest would wish. At the same time, it has fallen short of the hopes of neo-Wilsonians who see an opportunity for a peaceful new order.

'Age of multilateralism'

The views of the traditionalists have been epitomized in the study by The Heritage Foundation quoted earlier. "The UN has enjoyed a number of successes over the past four years. It helped defuse violent conflicts in Angola, El Salvador, Namibia and Nicaragua. And the 28-nation coalition that defeated Iraqi aggression in 1990–91 was organized under UN auspices. Nevertheless, the UN had less to do with those successes than many people think. Far more important were aggressive American diplomacy and the end of the cold war. The undeserved praise for the UN has led some to overestimate the world body's effectiveness, and to prescribe for the UN an imprudently large role in maintaining world peace."

An analysis of the prospects for UN collective security from a different point of view was offered in May 1992 by an experienced Western diplomat. "The 1990s," he said, "have already been called the age of multilateralism. While two years into a decade is too early for labels, this one may stick. One big reason is that it has the power of hope behind it. By promoting the vision of a foreign relations based on cooperative problem-solving, peaceful settlement of disputes, and collective enforcement, multilateralism meets a clear need to put the angst and moral anarchy of cold-war politics behind us.

"...A multilateral security system would endure if it achieved two things. First, it would have to become meaningfully universal: its principles and their application could not be limited internationally along what appeared to be geographical, or economic, or racial lines. Second, it would have to do a credible job of defining and protecting world order, replacing the de facto order that derived from the cold war.

"We can expect a long period of testing and challenges."

U.S. policy options

New international challenges demand rethinking the role of the UN, and the U.S. relationship to it. Following are some policy options and the arguments for and against them.

❑ **1.** The U.S. should help to establish a more vigorous UN with the power to intervene militarily to enforce the peace.

Pro: The U.S. cannot shoulder the burden of promoting peace and mediating disputes alone. It must act multilaterally.

Con: The notion of an altruistic UN acting for the good of humanity is romantic. The UN is an unwieldy bureaucracy, and many of its member nations do not share U.S. values.

❑ **2.** The U.S. should support UN intervention to enforce peace but only when such help is requested or sanctioned by a government.

Pro: The UN cannot get involved in every internal conflict or human disaster. The U.S. must insist on respect for national sovereignty, or risk unwanted interference in its own internal affairs.

Con: The U.S. and the UN cannot remain neutral when governments violate the rights of their citizens, fail to provide relief from disaster or cannot protect the innocent victims of civil war.

DISCUSSION QUESTIONS

1. How significant a role should governments entrust to the United Nations in building a "new world order"? Major? Contributory? Minor or none?

2. Should there be a change in the way the UN is financed? What sanctions, if any, should there be against governments which do not pay their dues? Do you approve of the U.S. withholding part or all of its dues? Should the American contribution to UN peacekeeping be drawn from the Defense Department budget in the future?

3. If the UN's role should be major or contributory, what aspect of UN activity would you like to see emphasized? Peacebuilding (mediation, negotiations, etc.)? Peacekeeping with consent ("blue helmets")? Small-scale enforcement (quick-response units)? Large-scale enforcement (as against Iraq)? All of the above?

4. What action, if any, would you like the UN to take to prevent additional countries from obtaining nuclear, chemical or biological weapons? If the government in question resists, what should the UN do?

5. Should the U.S. earmark units of its armed forces for possible UN use in emergencies? Train them for such duty? Help other governments train their forces for this purpose? How much peace-enforcement capability, if any, do you want the UN to have?

6. What kind of duty, if any, would you be willing to see the U.S. perform on behalf of UN peace enforcement? Any or all that was needed? Or just such things as airlift, logistics, engineer duties (like repairing bridges), air cover, sea patrol?

7. In order for the U.S. to participate in UN peacekeeping or peace enforcement in a given instance, would you feel that a tangible U.S. interest would have to be at stake? Or would a stable world be interest enough? Could GIs properly serve under a foreign general?

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ASSOCIATION TO UNITE THE DEMOCRACIES, 1506 Pennsylvania Ave., SE, Washington, D.C. 20003; (800) AT UNITE. ■ The association's aim is to make international organizations more effective in addressing such global issues as environment, human rights, economic problems, military security; bimonthy newsletter, **Unite.**

CAMPAIGN FOR UN REFORM (CUNR), 713 D St., SE, Washington, D.C. 20003; (202) 546-3956. ■ Goal is to build a restructured UN for world peace. Publishes a 14-point UN reform program, operates a political action committee and writes Congress. No newsletter.

UNITED NATIONS ASSOCIATION OF THE USA (UNA-USA), 485 Fifth Ave., New York, N.Y. 10017; (212) 697-3232. ■ UNA-USA is a national organization dedicated to strengthening the UN system and enhancing U.S. participation. It conducts research, study and information programs for students, teachers, the public and policymakers. Publications include the annual **Issues Before the General Assembly.**

UNITED NATIONS BOOKSHOP, United Nations, Room GA-32, New York, N.Y. 10017; (212) 963-7680, (800) 553-3210. ■ Books, posters, magazines, etc. published by the UN and materials with international focus from other publishers.

UNITED NATIONS INFORMATION CENTER FOR THE UNITED STATES, 1889 F St., NW, Washington, D.C. 20006; (202) 289-8670. ■ No publications are sold but library is available for public use and free materials are available on request.

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Germany's role: in Europe? in the Atlantic alliance?

Europe's most powerful economy, struggling with internal problems, grapples to establish its place in the European Community, and the new world beyond.

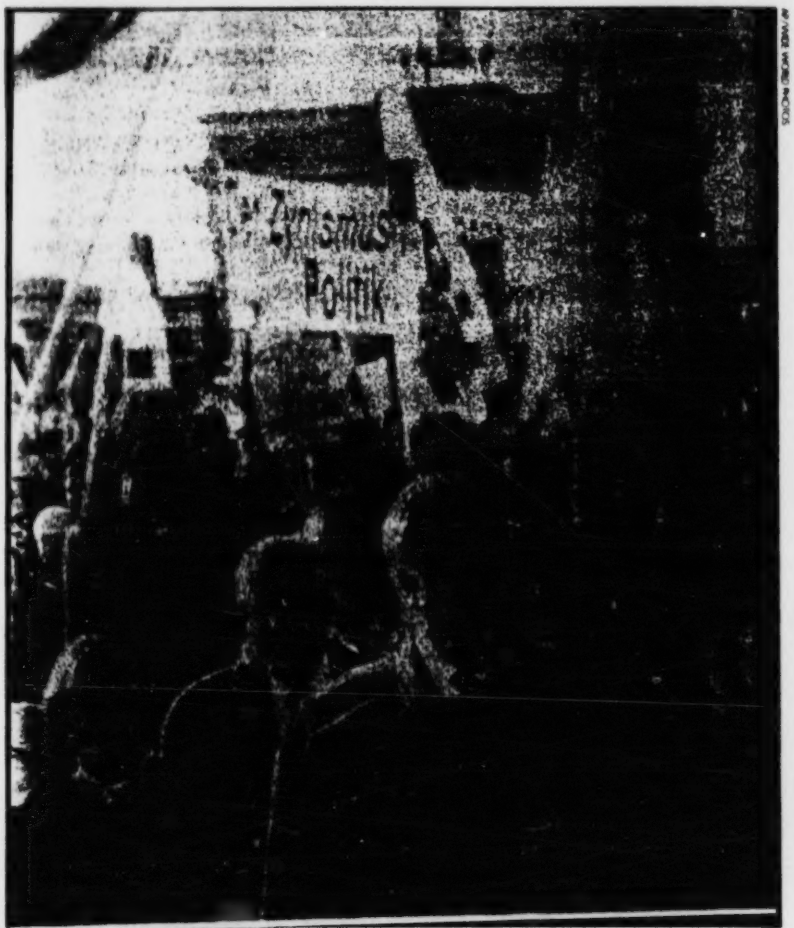
by the editors

My father's generation and my grandfather's generation both had their lives turned upside down by Germany. They had their friends killed and their families killed.... It would be very strange if there wasn't some deep-seated—unease is perhaps the word to use—about Germany.

ALMOST anyone who came of age in the post-World War II era could have said these words. They were spoken by a 35-year-old British journalist named Robert Harris, whose 1992 novel *Fatherland* imagined the consequences of a Nazi victory in World War II. In the novel, Europe is united under a strong, prosperous Germany that dominates its old enemies. Some reviewers asserted that Harris' fictional vision was not very different from what is occurring today. Others dismissed it as preposterous. Nevertheless, the book became a best-seller in the U.S. and Europe, perhaps because it addressed the deep conflicts many people—including many Germans—feel about the country that has been responsible for some of the greatest achievements, and most terrible crimes, of Western civilization.

Today, nearly 50 years after it lay in ruins at the end of the most destructive war in world history, Germany bestrides the Continent like a colossus. It is by far the largest, most powerful nation in Western Europe and one of the world's three greatest economic powers. Many see it as the powerhouse of a more closely integrated European Community (EC). Even those outside the 12-member EC look to Germany for help in achieving economic and political stability. Russia, once its greatest enemy, now hungers for German trade and investment to overcome the poverty and pollution wrought by communism. So do other nations emerging from the wreckage of the fragmented Soviet Union and its former satellites. Germany is Eastern Europe's largest trading partner, investor and aid donor. Many East Europeans seek German support in their efforts to join the EC.

Yet many of these same people also fear Germany's economic clout. While the power of the deutsche mark (DM) is far less menacing than that of Hitler's *Wehrmacht* (military machine), many worry that political domination will come along with German aid. In a September 1992 referendum, France just barely approved the Maastricht treaty, an agreement forged by EC members in December 1991 to speed their monetary and political unification. Many in France said they opposed the measure because they fear Germany. Many others voted for it for the same reason, the better to restrain German power. Some said their anxiety was fed by growing turmoil within German borders, where attacks on foreigners seeking to take



RALLYING AGAINST RACISM, *Chancellor Helmut Kohl (center) and thousands of other Germans march through Berlin's Brandenburg Gate.*

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advantage of Germany's liberal asylum laws awoke ugly images of the Nazi era. In eastern Germany, right-wing extremists and neo-Nazis attacked refugee hostels with firebombs, beat up people seeking asylum and rampaged through the streets chanting "Foreigners Out" and "Germany for the Germans."

Most of the rioters were unemployed young people, caught in the economic and social upheaval brought on by the costly process of absorbing the five East German *länder*, or states, that once comprised the Communist German Democratic Republic (GDR). Many observers say these tensions will dissipate as the east grows more prosperous. But others fear that they are yet another example of the rising ethnic tensions in the post-Communist Europe that have led to bitter warfare only a few hundred miles from Germany's border, in Yugoslavia.

'Partners in leadership'

Because of Germany's stability, strength and geographic location, the Bush Administration supported a greater political role for Bonn in the new Europe. President George Bush saw America and Germany as partners in leadership, forging a "new world order" based on the values of democracy and free trade. President-elect Bill Clinton has not explicitly stated what position his Administration will take toward Germany and the EC. During a telephone conversation with German Chancellor Helmut Kohl shortly after Clinton's election victory, the two men agreed to meet soon after the President-elect takes the oath of office in January.

Nevertheless, many Americans are also wary of Germany's growing power. Twice in this century the U.S. sent soldiers to Europe to fight and die in wars caused largely by German aggression. In 1945, the victorious allies divided a ruined Germany. Over the next four decades, it became a battleground in the cold war between the American and Soviet superpowers. Under President Harry S. Truman, the U.S. forged the North Atlantic Treaty Organization (NATO) in 1949 to keep the Soviet Union at bay, but also to contain Germany's potential military power. American taxpayers have spent enormous sums of money on NATO to ensure political stability in Europe. The Berlin Wall, erected by the Communists in the former imperial capital to keep East Germans from fleeing to the West, came to symbolize the great ideological struggle between Marxism-Leninism and free-market democracy.

As the GDR stagnated under communism, the Federal Republic of Germany (FRG) experienced the *Wirtschaftswunder*, the miraculous economic rebirth of the 1950s and 1960s. West Germany became one of the world's greatest economic powers. East Germany remained poor, an economic success only by the low standards of the Communist bloc.

After the fall of the Berlin Wall in 1989, Chancellor Kohl pushed for swift German reunification. Meanwhile, President Bush reassured a nervous Soviet Union and wary Europeans that the new Germany would be a force for peace and stability on the Continent. As citizens of a nation that was threatened by the Soviet Union, many West Germans were grateful to the U.S. for providing military security and the economic support that enabled them to achieve prosperity.

Nevertheless, as Germany's political power grows to match its economic influence, many Americans worry about German domination of Europe. So far, however, German efforts to play a greater political role in European affairs have been largely resisted. The case of Yugoslavia is one example. Germany's decision to force early EC recognition in December 1991 of the two Yugoslav republics of Slovenia and Croatia, over the objections of the other 11 community members, startled both Americans and Germany's neighbors, unaccustomed to such strong-arm German diplomacy. Critics, recalling the brutal puppet regime dominated by the Croatians during the German occupation of Yugoslavia in World War II, accused Bonn of trying to promote German political influence there. Nevertheless, Germany did recognize them as new countries and the rest of the EC and the U.S. reluctantly followed. Since then, Bonn (although Berlin has been named united Germany's official capital, government operations have not yet moved from Bonn, the capital of the former West Germany) has been more reticent about peddling its influence, but it has requested a permanent seat on the UN Security Council.

Yet Germany remains unable to act as a military power. Even the question of sending German naval forces to monitor UN sanctions against Serbia prompted widespread internal debate in Germany, where the postwar constitu-

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tion forbids the use of the German military outside NATO. In order to resolve this debate and function effectively on the international scene, the Germans will have to come to terms with their new power and troubled past. How Germany handles its new European and international responsibilities will influence U.S. foreign policy.

A changing U.S. role

America's role in Europe is diminishing now that the cold war is over. West Europeans are no longer as dependent upon the U.S. for security. For more than 40 years, Washington encouraged the creation of a United States of Europe. Now that new steps are being taken in that direction, some Americans are having second thoughts. As of January 1, 1993, all remaining trade barriers between the EC's 12 member states were removed, allowing goods, services, capital and labor to cross borders freely. This makes the community the industrial world's largest trading bloc. The move toward integration was bolstered in December 1991 with the signing in Maastricht, the Netherlands, of the Treaty on European Union, a blueprint for the new Europe's political, economic and monetary unification. It calls for closer coordination of the community's foreign, defense and monetary policies. Health, education, the environment, industrial policy, consumer-protection laws, and rules governing the treatment of workers are all to be part of the community's established activities. The agreement also calls for the EC to move from a currency-exchange system toward a common European currency and a central European bank modeled on the German Bundesbank by the end of the decade.

Some commentators hail these changes, others fear them, and some doubt that they will come about very soon. Many American exporters, for example, worry about discrimination, EC standards, procurement procedures and protectionist measures in such key sectors as agriculture, broadcasting, telecommunications and civil aviation. Some analysts worry that the U.S. will lose political influence as Western Europe's economic and security policies are developed by EC institutions that pay less attention to Washington. Others say it is doubtful that a single European state is at hand. "Progress continues, but slowly and not steadily," notes Anton DePorte of New York University. "The U.S. had one foreign policy even in 1790. The EC does not today, after 35 years of effort."

Many Germans share this uncertainty about the future. After 45 years as a divided nation, Germany was united on October 3, 1990. But as the euphoria over unification evaporated, west Germans began to realize that an enormous challenge lay ahead. There are wide disparities in wages and productivity between east and west. In the fall of 1990, the FRG had 61 million people with a per capita gross domestic product of roughly $23,500 a year. The equivalent among the 17 million east Germans was roughly $8,000. East German wages equal 60% of the west German level, but east German workers are only 30% as productive. The inability of eastern industry to compete is contributing to massive plant closings and social dislocation. In an effort reminiscent of America's Marshall Plan for Europe's reconstruction after World War II, Chancellor Kohl's government is spending roughly $100 billion a year to bail out the east. The cost of unification is estimated at over $600 billion over the course of the decade. "The reconstruction of the new federal states will take longer and also cost more than originally expected," Kohl has warned. In February 1991 he broke a reelection campaign pledge not to raise taxes. Since then, the popularity of the "unification chancellor" has nose-dived.

Currency crisis

The problems of reunification have had profound repercussions beyond Germany's borders, sparking disagreements between Germany and other industrialized countries. Heavy spending has put the German government in debt and forced the Bundesbank, Germany's central bank, to raise interest rates to control inflation. In 1991, German inflation averaged 3.1%, the highest in a decade. By the fall of 1992, the Bundesbank's tight-money policy was putting pressure on the British pound and other EC currencies.

Under the community's current monetary system, currencies are linked; that is, they are permitted to rise or fall in value against one another only within a narrow exchange band. When a currency hits the bottom or top of its range, the country's central bank must keep it in the band, either by buying or selling the currency in the foreign-exchange market, or by moving interest rates up or down. Thus, a decrease in German interest rates would give other EC states greater leeway in lowering their own rates.

Late last summer, Britain and France, both suffering from double-digit unemployment, wanted to cut interest rates to spur economic growth and create jobs. German insistence on keeping interest rates high to ward off inflation made the deutsche mark too strong for the British pound, the Italian lira and other currencies to keep up with. The Bundesbank promised in mid-September to cut German interest rates, but the cuts were too small to prevent a run on the pound and other weaker currencies. As the pound's value plummeted below the lowest limit of the trading range, an angry Britain pulled out of the exchange-rate mechanism of the European monetary system. Italy followed suit. British officials accused Germany of acting in its own narrow self-interest rather than for the community as a whole. Germany's defenders countered that the Bundesbank must take the responsibility for enforcing fiscal discipline to prevent inflation—something many Germans regard with horror. Few families have forgotten the hyperinflation of the 1920s, when a loaf of bread cost millions of marks and the lifetime savings of most people evaporated in a matter of months.

The dollar's fall makes the price of U.S. exports attractive to overseas buyers.

The currency crisis fed fears that moving too quickly to a single European currency would undermine the Maastricht accord. The national economies of Britain, France, Italy and Germany are now heading in different directions. Unless they are better able to coordinate policies, some analysts warn, the move toward political and economic integration will stall.

European currency fluctuations have a direct effect on the U.S. economy.

Western Europe buys almost 30% of U.S. exports, which have been rising in recent years despite a generally sluggish economy. "The last thing we want to have is a Europe that is embroiled in chaos and internal recriminations," Robert Hormats, a former State Department official who is now director of Goldman Sachs International, told *The Wall Street Journal*. "To deal with Europe on trade will be virtually impossible if they are at odds with one another." The U.S. Federal Reserve has been trying to lift the economy out of recession by lowering interest rates. Consequently, the dollar's value has plunged as international investors flock to take advantage of the higher rates they can earn from investing in deutsche marks. The dollar's fall makes the price of U.S. goods attractive overseas and has fueled U.S. exports. But American officials fear that further declines in the dollar's value could frighten foreigners into pulling huge amounts of money out of the U.S., pushing up interest rates just when lower rates are needed to sustain America's economic recovery.

Die Mauer im Kopf

"The Germans make things difficult for everyone," the German poet Johann Wolfgang Goethe is said to have remarked, "particularly themselves." In the two years since reunification, many east and west Germans have discovered they are indeed uncomfortable with one another. "We read different children's books, have different movie heroes," one east Berliner told *The Washington Post* recently. "As children we almost never had the same experiences. We never sang the same songs. Now we've come so far that sometimes we sing duets." In turn, a west German says of east Germans: "They live more intensively, show more feeling. They have learned to make much from little."

The fall of the GDR brought massive unemployment to east Germany. Communism had guaranteed all East Germans housing, subsidized food and a job, regardless of performance. After reunification, half of all jobs were eliminated. Industrial production shrank by more than 50%. Many of the social services provided by the Communists disappeared. The cost of food, housing and other necessities skyrocketed. Moreover, four decades as separate nations and ideological enemies left steep psychological and social divisions between the *Ossis* of the former GDR and the *Wessis*, or westerners. The Germans refer to this division as *"die Mauer im Kopf,"* the wall in the head. This wall is more than psychological. The government has, for example, received more than 1.2 million applications from people who fled East Germany for the restitution of property seized by the Communists, property which many east Germans have come to regard as their homes. The decision in late 1991 to open the archives of the East German *Stasi*, or secret police, unleashed a torrent of blame and guilt as former Stasi victims discovered that their colleagues, friends and even family members were state informers.

Forty years of communism also did much to destroy East German work habits. The region's labor force is not accustomed to Western working standards. Many former Communists have kept their management jobs, paying lip service to free-market principles but doing little to improve quality or efficiency. Eastern Europe's industrial base, once characterized by *The Economist* (London) as being remarkable "solely for its capacity to pollute," must be modernized. Environmental protection must be enforced and new energy-supply systems built to replace the dangerous nuclear power plants based on Soviet designs. A modern infrastructure for transportation, communication, health, sewage and clean water supplies must be created. Public education must be westernized.

Bonn has formed the *Treuhandanstalt*, the world's largest holding company, and has given it the task of restructuring, privatizing or closing thousands of companies previously run by the GDR. Since its inception, the Treuhand has sold over 7,000 companies and more than 27,000 acres of farmland. It is still trying to sell or close another 4,800 concerns. About 30% of the former state firms have been deemed unworthy of restructuring or privatization. The Treuhand expects to finish its task in 1993, with 85% of the companies privatized by the end of 1992.

Following an initial reunification boom in 1990–91, Germany's economy stagnated during 1992 as Bonn poured public funds into the new länder. For 1992, German government funding to the east was projected at DM 180 billion ($115 billion), roughly a quarter of total public spending. Three fourths of this is for pensions, health care, welfare and other social programs.

From October 1990 to October 1991 about one million new jobs were created in the east as German industry, optimistic that profits would eventually come, invested around DM 40 billion in the east. But unemployment in east Germany stood at nearly 14% in the fall of 1992. In 1991, the first full year of reunification, 200,000 east Germans migrated to the west in search of jobs and higher pay, aggravating an already complex immigration problem as prosperity and liberal asylum laws attracted immigrants from Eastern Europe and the Middle East.

Meanwhile, Germany's public debt is growing. If spending continues at current levels, analysts warn, public debt could soar to DM 1.8 trillion, or over 51% of gross national product (GNP) by 1995. Some point out that Germany risks following the U.S., whose heavy public borrowing since the late 1970s changed it from the world's leading creditor to a heavily indebted nation.

"Germany is in danger of becoming a society where one part subsidizes the uneconomical work and the uncompetitive products of another part...," warns Lothar Ruehl, a German scholar and journalist. "Confidence in the market system and in democracy stands to suffer." Indeed, many west Germans complain about what they regard as the ingratitude of the easterners. *The Economist* predicts that it will take far more than a decade before a comparable living standard is achieved between east and west and at least a generation before psychological barriers dissolve. "Even in the wonder decade of the 1950s, the West German economy grew by an average of only 7.5%. Even at this rate, it took West Germans 10 years of hard work after the war to get their first car or go on vacation."

Germany for the Germans

Germany has other serious social tensions. In August 1992, the east German city of Rostock, on the Baltic sea, exploded in ethnic violence. Hundreds of unemployed youths attacked immigrants from Eastern Europe in the streets and burned hostels housing

asylum-seeking foreigners. The rioting was sparked by the problems of reunification. "In that section of Rostock there are 25,000 people living in close quarters, half of them unemployed and many of them without any prospects," Karlheinz Blessing, a prominent Social Democrat, told *The New York Times*. "They were promised that after unification things were going to go a certain way. But these promises haven't been kept, and that has made people very angry."

In Germany, refugees are admitted without question. The German constitution confers citizenship on all ethnic Germans regardless of their origins and guarantees asylum to foreigners who claim they are victims of political oppression. While it reviews their cases, the government pays asylum-seekers a monthly average of $357 for food, housing and medical costs. To date, all but about 2% have been found to be economic rather than political refugees, and their requests for asylum have been rejected. But the process can take years. Meanwhile, the numbers seeking asylum have soared amid the growing uncertainty of the post-cold-war era. Since 1989, more than 2.5 million immigrants of German origin and asylum-seekers have streamed into Germany from Eastern Europe and the former Soviet Union, Yugoslavia, Romania and Turkey, and elsewhere.

Although amid the intense competition for jobs and housing on the part of ethnic German immigrants and foreigners the far right has become more visible, some analysts dismiss the threat that Germany is in danger of a return to racist nationalism. They point out that recent regional election results in various parts of the country showed right-wing parties winning between 5% and 10% of the vote—not enough to translate into national political power. Parties espousing neo-Nazi views are believed to have an active membership of not more than 5,000.

Resentment against foreigners has forced politicians to reexamine Germany's asylum policy. Although a constitutional amendment to restrict the right of asylum has been rejected, Bonn has approved a compromise measure that would shorten applications processing and speed up deportation of those who are not granted asylum. In September 1992, Bonn announced an agreement with the government of Romania to deport 20,000 Romanian Gypsies, following widespread violence against them. The decision reminded some of the Nazi era, when Jews and Gypsies were singled out for extermination. Many in Germany believe that a workable asylum policy will only be possible if and when the EC can reach community-wide agreement.

KOHL AND MITTERRAND *urge French TV viewers to support the Maastricht treaty.*

The European Community

I speak Spanish to God, Italian to women, French to men, and German to my horse.
—Charles the Wise,
King of France, 1337–80

MANY Europeans shared Charles' disdain for the Germans. For nearly five centuries after his death, while France, England and Spain forged national identities, founded overseas empires and fought to dominate Europe, the geographical region of what is now modern Germany was little more than a bewildering array of several hundred duchies, principalities and kingdoms of divided and conflicting loyalties. By 1815, when the European powers met in the Congress of Vienna to create a new world order in the wake of the Napoleonic wars, Germany consisted of some 39 sovereign states. It was not until the mid-19th century, when Prussian Count Otto von Bismarck arrived on the scene, that Germany became a unified nation. Under the "iron chancellor" it developed into one of the strongest economic and military powers in the world, rivaled only by the British empire and the rising U.S.

Two world wars destroyed Bismarck's achievement. But in the four decades since 1945, Germany has risen from the ashes to become the great workhorse of Europe. It is also pushing vigorously for a united Europe. "We want to be German Europeans and European Germans," Chancellor Kohl said in a June 1992 speech. "This is the most important lesson to be learned from our turbulent history, but also from our geographical position in the middle of Europe." Surveys show that most Germans and most Europeans would prefer a strong EC to a Europe dominated by Germany. But when it comes to how the community will be organized politically, many Europeans are ambivalent and some nations are beginning to balk.

The community was formed in the 1950s to bolster economic and political reconciliation between Germany and France. Long before the Communist regimes in the Soviet Union and its satellite nations showed signs of cracking, the EC's 12 member states were growing progressively more integrated economically. But the push toward unity grew stronger in 1986 with the signing

of the Single European Act, which called for fuller economic integration by 1993. The move will eliminate bureaucratic boundaries among members. The process involves some 280 EC directives that will harmonize industry practices. Big industries, such as automaking and banking, will no longer be governed by 12 sets of regulations.

The next step to complete EC integration, outlined in the Maastricht treaty, is the scheduled creation by 1999 of a common European currency and a European central bank. Such a move would make it easier to do business throughout the Continent, as *The New York Times* illustrated with the following example: "Today, a French confectioner setting next year's prices for chocolates to be sold in Britain must guess the future exchange rate between pounds and francs, not to mention the cost in francs of the candy boxes he plans to import from Italy. With all the prices in European currency units, the candy maker would have one fewer worry."

But the September currency crisis brought on by Germany's hesitancy to lower interest rates undermined the European monetary system, stalled the drive toward political unification and spread doubt that Europe will have a single currency, at least by the end of the decade.

Having second thoughts

Before it takes effect, the Maastricht treaty must be ratified by the EC's 12 member states. By the fall of 1992, however, the treaty's future appeared in jeopardy. In Denmark on June 2, voters rejected the treaty by a narrow margin. This sent shock waves through the EC and gave legitimacy to the treaty's critics, who are concerned that national and cultural identity will be submerged by a huge, Brussels-based bureaucracy. Although the citizens of Ireland gave a solid yes vote in a June 18 referendum, and Luxembourg and Greece also approved the treaty, the impression remains that many Europeans are ambivalent about political and monetary union. French voters just barely approved the treaty in a September 20 referendum. The vote followed the turmoil in international currency markets that culminated in Britain and Italy temporarily pulling out of the European monetary system. Although France approved the treaty by the narrowest of margins (51% of French voters approved, 49% disapproved), many analysts warned that the close vote would only heighten reservations about the treaty. Opposition to the treaty is particularly strong in Britain. Many conservatives there fear that it will force Parliament to cede too much autonomy to Brussels. The British are also hesitant about surrendering control of the pound, which means losing control of domestic interest rates, an important policy tool for controlling inflation. Nevertheless, British Prime Minister John Major still insists that his government supports the treaty.

KEY TO ABBREVIATIONS

CSCE	Conference on Security and Cooperation in Europe
EC	European Community
FRG	Federal Republic of Germany (West Germany)
GDR	German Democratic Republic (East Germany)
NATO	North Atlantic Treaty Organization
SDP	Social Democratic party
WEU	Western European Union

Broadening vs. deepening

While analysts argue over the future of European economic and political integration under the Maastricht treaty, almost everyone agrees that the EC is the most important European institution for economic cooperation. The community has four principal bodies—the Council of Ministers, the European Parliament, the European Commission and the European Court. The 12 member states are divided over how to balance the community's executive and legislative powers. They also are having second thoughts about how much national autonomy they want to cede to the EC central authority in Brussels. Not only does the community have to come up with a political formula for governing itself, but its members must decide whether to "deepen" their relations with one another and/or "broaden" the EC. The latter move would entail creating stronger political and economic links with the European Free Trade Area (EFTA) states, which have eliminated trade barriers among themselves, and the new East European democracies and admitting new members to the EC.

Many Europeans, including ordinary Germans as well as the government in Bonn, view the deepening of the EC's economic and political structures as a way of anchoring a reunified Germany in the West. About 30% of the community's combined GNP comes from Germany. Approximately 23% of its people are German. Bonn contributes more than a quarter of the EC's entire budget, and Germany is by far the community's largest exporter. Kohl would like more seats for Germany in the European Parliament to reflect Germany's increased population following reunification. He also wants the German language to be recognized on a par with French and English.

The Kohl government, which has worked hard for deepening the EC, stresses that European unity is the cornerstone of German unity. Bonn's vision of a new Europe reflects the political organization within Germany itself—an open, flexible central government balanced by strong local and state authority. This conflicts somewhat with the visions of the two other major EC powers—France and Britain. Paris generally favors a stronger central authority, while London sees the community as a loose confederation of states. Britain worries that the community's power will grow to the point where Brussels interferes too much in the internal affairs of member states.

The outcome of the debate on the role of the community's central authority will determine whether the EC will be a free-trade bloc or a federal system with some form of supranational government. Some observers maintain that the growth of regional trade blocs in Europe, Asia and North America indicates that matters of nationality will become less important in the 21st century. "For good or ill," writes *The Economist*, "the technology of moving goods, services, people and money around has ousted the European nation as the convenient unit of economic administration.... What set the limits of a nation? Was it language, religion, common historical memories or territorial integrity? The answer was: none, or all of these. A nation was what worked. The same answer shapes the EC today."

Germany and the world

THE DEBATE over Germany's response to the Persian Gulf war illustrates the conflicting pressures Bonn faces in developing a foreign policy. When President Bush first sought German participation in the UN coalition to force Iraq out of Kuwait, German public opinion divided into roughly three groups. Approximately a quarter of the population favored German intervention; another quarter was vehemently opposed; roughly half approved the UN action but expressed reservations about sending German forces. The majority also opposed amending the Basic Law, Germany's constitution, which prohibits deployment of German troops outside NATO territory. After some hesitation, Kohl ordered a squadron of German planes, antiaircraft missiles and 600 troops to be sent to reinforce NATO-member Turkey's defenses on the Iraqi border. Bonn also contributed close to $10 billion to the coalition's expenses in the Gulf war. Financial support included $6.5 billion for the U.S. (out of a total U.S. cost of $55 billion), plus $535 million for British troops and $750 million in aid to Israel.

Many Americans, Germans and other Europeans insist that the time has come for Germany to take a more active role in world affairs. Yet Germany remains hesitant. It wants to work more closely with the UN, but is reluctant to be seen pushing for a permanent seat on the Security Council. The Kohl government favors a constitutional change allowing German troops to be sent on military missions outside NATO, a measure that is supported by the U.S. and Britain, but this would require approval of two thirds of the *Bundestag*, or parliament, and thus depends on the support of the opposition Social Democratic party. The SPD is opposed to using German forces outside NATO except as part of UN peacekeeping missions.

Since the Gulf war, Bonn has sent *Bundeswehr* troops to provide humanitarian assistance to the Iraqi Kurds and helicopters to transport UN observers in Iraq. In May 1992, 140 German army medics left for Cambodia to take part in the UN peacekeeping operation there. On July 15, Germany announced plans to send a destroyer and three reconnaissance planes to help monitor UN sanctions against Serbia and Montenegro. Social Democrats warned that such humanitarian actions could suddenly turn into combat.

Some analysts argue that the Basic Law does not prohibit participation in actions involving collective security. Christoph Bertram, a journalist and former German defense official, maintains that "There are few countries in the world today with a weight and influence similar to that of Germany.... Hence Germany has no real choice: either it recognizes the responsibility that power bestows upon it and becomes involved in the job of promoting international stability, or it does not and neither serves its own interests nor gains the respect and trust of its neighbors and partners."

Other analysts say the domestic debate illustrates that Germany, despite its economic clout and potential military power, is simply not geared to act in Europe without the Americans. U.S. defense expert Paul Nitze writes: "Suspicions of German intentions, whether justified or not, remain too high among the nations of Europe for Germany to be effective in the role of honest broker."

Aiding the east

Some Bush Administration critics have charged that the U.S. has already stepped too far back from European affairs by allowing Germany to take much of the responsibility for the economic reconstruction of Eastern Europe. They argue that Washington should provide more aid and encourage more private American investment.

Indeed, Germany has an enormous stake in seeing that the former Soviet states become affluent modern democracies. For one thing, the Soviet border is only a few hundred miles away. Some 230,000 Soviet soldiers are still on German soil. The last of them are to withdraw by the end of 1994. If Moscow's authority breaks down, it could bring a wave of unwanted immigrants fleeing turmoil in Russia.

Kohl, an early supporter of former Soviet leader Mikhail S. Gorbachev's reform efforts, pushed through the Bundestag $34 billion in aid to Russia and the other former Soviet states, including funds for trade, financing and the removal of Soviet troops from German soil between 1989 and late 1991. This represented 56% of all Western aid for the dying Soviet Union and 32% of aid to other East European countries. Germany has entered bilateral cooperation agreements with the Baltic nations, as well as Poland, Czechoslovakia and Hungary. Now, weighed down by the tremendous costs of reunification, Bonn is calling upon the U.S. and its allies to pick up more of the tab. "This huge task cannot be left to us Germans alone, or just to the Europeans," Kohl has said. "Every country... must carry its fair share of this joint responsibility."

Many East European leaders worry that an absence of large-scale financial assistance from other Western countries would result in Ger-

man economic, if not political, domination of the region. They see the U.S. as a necessary counterweight to balance Germany's growing clout.

The NATO debate

During the cold war, collective security was the greatest issue facing the democracies of Western Europe. For the most part, defense was organized by the U.S. Now, the collapse of Eastern Europe has raised important questions about the future U.S. role in the Continent's defense. There already has been a decision to keep NATO intact, although its future shape remains unclear. The Bush Administration considered NATO the "cornerstone" of a new Europe and the alliance an ideal foundation for institutionalizing relations between the U.S. and the EC. President-elect Clinton said in an election campaign speech that the U.S. should look to its allies "to take a more active role in the defense of their own regions..." and "play a stronger role both within NATO and in the evolution of future security arrangements for the Continent."

Members of the Atlantic alliance are watching closely to see how the new Administration will affect U.S. relations with Europe and its institutions. Many EC member states continue to see NATO as the greatest ensurer of peace, despite the end of the cold war. So do the nations of Central and Eastern Europe that once belonged to the Warsaw Pact, the military alliance of the Soviet Union and its Communist satellites. Although some West Europeans have called for the EC to develop its own security system, they recognize that at best that would take a long time and none has sought an end to NATO or the presence of U.S. troops in Europe.

At its Rome summit in November 1991, the alliance endorsed a new strategy that reduces NATO troop strength, creates a Rapid Reaction Corps to deal with regional unrest, and reduces the alliance's reliance on nuclear weapons. The organization also moved to establish a formal cooperation council with the former members of the Warsaw Pact. Nevertheless, if European integration continues, Germany and other EC states will likely assume a greater role in their own defense, possibly at the cost of U.S. influence.

The uncertainty over the EC's political future compounds the defense dilemma. The Western European Union (WEU), an organization for collective self-defense that includes Belgium, Britain, France, Germany, Italy, Luxembourg, the Netherlands, Portugal and Spain, could become the focal point for continental military cooperation. The Maastricht summit in 1991 confirmed the process of linking the WEU to the EC, which will also maintain close links to NATO. But it is not quite clear whether the WEU will prove to be a pillar or a potential rival of NATO.

Troop strength

The Bush Administration cut U.S. forces in Europe from 320,000 during the mid-1980s to 208,000 by the end of 1992. During the campaign, President-elect Clinton said U.S. troop levels could be reduced to 75,000–100,000 by 1995.

Following the withdrawal of the last of the 420,000 Soviet troops from Germany by 1994 and NATO reductions, Germany will maintain an army of 370,000, supplemented by perhaps 100,000 allied troops on German soil.

While many analysts agree that U.S. troop levels in Europe can be trimmed, they disagree strongly about the size of the reduction. For one thing, argues Robert D. Blackwell of Harvard University, it will not be clear for some years whether the democratic experiments in the former Soviet states will succeed. "If NATO were to be allowed to lapse, in which case American troops would almost surely go home, and if Europe was then faced with a resurgent and aggressive Russia and/or a Russian-Ukrainian war that spilled westward, who believes that...military cooperation could all be recreated in time to avoid another catastrophe on the Continent?" Europeans want U.S. troops in Europe, he argues, because they believe an American military presence reduces the likelihood that historical patterns of intra-European rivalry and conflict will resurface.

Stanley R. Sloan, a Congressional Research Service analyst, agrees that Europe's current uncertainty is "a military planner's nightmare. But uncertainty does not constitute a sufficient rationale for most members of Congress to warrant expenditures on NATO anywhere near those of the past." Over the last 20 years, he points out, NATO has consumed as much as 50% to 60% of the overall annual U.S. defense budget.

NATO's future

During the cold war, NATO and close bilateral ties with European nations protected U.S. interests. Today, the EC and the Conference on Security and Cooperation in Europe (CSCE) have become increasingly important centers for economic and political decision-making. In 1975, 33 European nations, plus the U.S. and Canada, signed the Final Act of the CSCE (also called the Helsinki accord), which called for the renunciation of the use of force to change borders, respect for human rights, and political self-determination.

The CSCE now has 52 members, including the successor-states of the Soviet Union as well as such newly created nations as Croatia, Slovenia and Bosnia and Herzegovina. If the U.S. is to continue to have a major say in European politics, it will likely have to develop more fully its ties to the EC and its participation in CSCE, as well as keep NATO alive. Initially, the U.S. was concerned that the CSCE was being posed as an alternative to NATO. Now, however, the two are seen as complementary organizations. In a speech in Berlin on June 18, 1991, then Secretary of State James A. Baker 3rd said the U.S. goal is "a Euro-Atlantic community" with NATO, the EC and the CSCE as the three "essential structures" of this community "that extends east from Vancouver to Vladivostok."

Unrest in Yugoslavia

The fighting in Yugoslavia illustrates just how difficult it will be for the EC, the CSCE, the U.S. and the UN to determine their respective roles. In 1991, as Yugoslavia dissolved in bitter ethnic fighting following the collapse of communism, Washington and Bonn favored different approaches to dealing with the crisis. The U.S. feared that premature recognition of Slovenia, Croatia, Bosnia-Herzegovina and other Yugoslav republics seeking to free themselves of Serbian-dominated Belgrade would undermine peace efforts. The U.S. wanted to impose sanctions on Yugoslavia as a whole,

rather than apply them to Serbia and Montenegro alone.

The disagreements between Bonn and Washington diminished in April 1992 after the U.S. agreed to recognize the independence of Slovenia, Croatia and Bosnia-Herzegovina. Germany supported the U.S. call in May for UN sanctions against Serbia and Montenegro in retaliation for the aid these two former Yugoslav republics were giving to Serbian paramilitary fighters who have seized large areas of Bosnia-Herzegovina. In August, the UN Security Council approved the use of force to ensure the delivery of humanitarian aid to Bosnia. Officials of NATO and the WEU debated whether they should act to stop the bloodshed, but ultimately the U.S. and other members of the Security Council decided that additional forces should be deployed in Bosnia under the UN umbrella. It remains to be seen what role, if any, NATO or the WEU will play (see Topic 2).

"Have you a copy of the Madonna book with the Maastricht treaty cover?"

U.S. policy options

The issues facing U.S.-German relations are linked to the broader issues that America faces in the post-cold-war world—military security, aid to emerging democracies and global trade. Many observers want Germany to take on more responsibility on the world scene. Few maintain that America should or will turn its back on the rest of the world. The question of U.S. leadership is predominantly one of degree. How much of its resources should America commit to Europe's defense? to aiding Eastern Europe and the former Soviet Union? How should the U.S. respond to an increasingly integrated, economically competitive European trading bloc? Following are some of the options facing the Clinton Administration in dealing with these issues.

❑ 1. The U.S. must sharply reduce its military commitment to NATO and withdraw its troops from Europe.

Pro: America's burdensome financial commitment to European defense is no longer necessary after the collapse of the Soviet Union. The increasing economic interdependence of the Germans, French, British and other nations has made historic rivalries an anachronism. A reduced U.S. commitment to NATO does not mean an end to U.S. influence in Europe. As the world's only superpower, U.S. influence will continue. But it does not make sense for Washington to involve itself as deeply as before in problems the Europeans are increasingly able to work out for themselves.

Con: The problems of Europe are by no means "solved." Germany may not pose a military threat, but it lacks the moral authority to provide effective leadership in Europe. Only the U.S. can play the role of "honest broker" to keep the balance of power in Europe. Far from being out of date, NATO remains the key organization for addressing the new Europe's defense problems. While the American military presence in Germany and elsewhere can continue to be reduced, it should not be removed as long as Eastern Europe and the nations of the former Soviet Union remain unstable.

❑ 2. Washington should assume more of the burden in aiding Eastern Europe, Russia and the other countries of the former Soviet Union instead of letting Germany play the leading role.

Pro: The U.S., not Germany, is the inspiration for these emerging free-market democracies, many of which view Germany with some suspicion. American investment in the region makes good business sense, providing new markets for U.S. exports, which will face growing competition from the EC. Furthermore, expanding trade will provide the economic recovery necessary for peace and stability. A prosperous Eastern Europe will be less likely to go to war. Despite America's domestic problems and U.S. government budget deficits, Washington can still provide some aid, encourage advisers and volunteers to help in establishing market economies, and push for American business to act in its own self-interest by investing heavily in the region.

Con: No amount of American aid can bring prosperity to Eastern Europe and the former Soviet states. They must find solutions to their problems from within. Although the U.S. remains a superpower it must bear in mind that, while Washington's military power makes it capable of preventing global war, its current economic problems prevent it from doing more in the way of monetary aid. Germany and the EC as a whole are better equipped, both financially and geographically, to aid the East, so why should the U.S. become involved, especially when it faces so many difficult domestic problems?

❑ 3. The U.S. must continue to support European integration.

Pro: The EC is the key to the Continent's future. History shows that relations would be more difficult with several European nations vying for dominance. It is in the interest of the U.S. as well as Germany that the nations of Europe concentrate on mutual cooperation and think less in terms of national sovereignty.

Con: Germany, with its vast economic power, would dominate a united Europe. Therefore, U.S. as well as European interests are better served if the EC remains a loose federation of sovereign states, and, to the extent the U.S. has influence, it should use it to discourage integration.

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DISCUSSION QUESTIONS

1. While few people want to see the new Germany emerge as a military power, many want the Germans to share responsibility in international affairs. How do you see Germany fulfilling this role?

2. Should the U.S. reduce its role in European affairs? What are the advantages of pulling back from Europe? What are the risks, if any?

3. Twice in this century American troops have had to fight in Europe because of German aggression. More recently, the U.S. has been allied with Germany and has maintained strong forces in Europe to deter Soviet aggression. Does historical experience justify a continued strong American military presence in Europe?

4. Should Germany and its European partners take on more responsibility for the stability of the Eurasian landmass? Should they assume all of the burden for Europe's defense? What are the potential consequences for the U.S.?

5. Although the EC is becoming more integrated economically, tremendous hurdles remain to achieving a truly united Europe. How likely is it that someday there will be a United States of Europe? Do you believe this would benefit the U.S.? If not, how would it hurt the U.S.?

6. Germany has taken the lead in providing economic aid to Eastern Europe and the new nations of the former Soviet Union. How does this aid serve German long-term interests? Would the U.S. derive comparable benefits from doing more to help those countries make the transition to market economies?

7. The political and economic outlook for Europe has improved, but future successes are by no means certain. Would you like to see Germany increase its role in Europe or defer to its EC partners?

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Muller, Steven, and Schweigler, Gebhard, eds., **From Occupation to Cooperation: The United States and United Germany in a Changing World Order.** New York, Norton, 1992. 288 pp. $24.95. A collection of essays by American and German experts on problems and issues facing the two allies.

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Pond, Elizabeth, "Germany in the New Europe." **Foreign Affairs,** Spring 1992, pp. 114–30. The author argues that Germany's growing political clout benefits the U.S.

"U.S.-Germany: Partners in Leadership." **U.S. Department of State Dispatch,** May 4, 1992, pp. 348–51. Statements on the relations of the two countries by President George Bush, German President Richard von Weizsäcker and Secretary of State James A. Baker 3rd.

THE AMERICAN COUNCIL ON GERMANY, 14 East 60th St., Suite 606, New York, N.Y. 10022; (212) 826-3636. ■ A private, nonprofit organization, the council seeks to educate Americans on the importance of the U.S.-German relationship and "the central position of Germany to the future of Europe and the Western world." The council offers conferences, exchange programs, luncheon programs, discussion meetings and publications.

ATLANTIC COUNCIL OF THE UNITED STATES, 1616 H St., NW, Washington, D.C. 20006; (202) 508-9333. ■ A nonprofit, bipartisan public policy center for the advancement of U.S. interests among the Atlantic and Pacific communities. Its policy education program includes studies, colloquia and publications.

DELEGATION OF THE COMMISSION OF THE EUROPEAN COMMUNITIES, Office of Press and Public Affairs, 2100 M St., NW, 7th floor, Washington, D.C. 20037; (202) 862-9500. ■ The EC's "embassy" in the U.S. offers **Europe** magazine (sample copy sent on request), a speakers' bureau, library services, portable exhibits and limited supplies of free documentation, including photographic material, on the EC.

GERMAN INFORMATION OFFICE, 950 Third Ave., New York, N.Y. 10022; (212) 888-9840. ■ Publishes newsletters in both English and German, plus translations of German newspaper articles. Also serves as public relations office.

THE GERMAN MARSHALL FUND OF THE UNITED STATES, 11 Dupont Circle, NW, Washington, D.C. 20036; (202) 745-3950. ■ Created in 1972 by a gift from the German people as a thank-you for postwar Marshall Plan aid, the fund promotes a more informed understanding of the differences that arise between Europe and the U.S. and stimulates a dialogue on common problems. It also publishes the quarterly **TransAtlantic** magazine and other reports and books.

ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD), 1750 Pennsylvania Ave., NW, Washington, D.C. 20006; (202) 785-6323. ■ Organization of industrialized nations, whose officials meet to exchange information and formulate policy. Publications include bimonthly magazine and semiannual **OECD Economic Outlook.**

OPINION BALLOTS

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FOREIGN POLICY ASSOCIATION, 729 SEVENTH AVENUE, NEW YORK, N.Y. 10019

TOPIC 3

Germany's Role

ISSUE A. *Concerning the U.S. military commitment to NATO, the U.S. should (check one choice only):*

- ❑ 1. Maintain its commitment to NATO and its present force levels in Europe.
- ❑ 2. Maintain its commitment to NATO but reduce its force levels in Europe.
- ❑ 3. Maintain its commitment to NATO but remove U.S. forces stationed in Europe.
- ❑ 4. Withdraw from NATO and remove U.S. forces stationed in Europe.
- ❑ 5. Other, or comment _____

First three digits of your zip code: ____ ____ ____

Date: / /1993 *Ballot continues on reverse side...*

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Date: / /1993 *Ballot continues on reverse side...*

TOPIC 4

China

ISSUE A. *With regard to overall policy toward China, the U.S. should (check one choice only):*

- ❑ 1. Condition future relations on China's ending human-rights abuses, eliminating trade barriers and halting sales of nuclear technology.
- ❑ 2. Follow a course of "constructive engagement": continue negotiating with the government while keeping lines open to the dissidents.
- ❑ 3. Maintain correct relations with the government to secure U.S. interests; leave China's future (including the question of economic and political liberalization) to the Chinese.
- ❑ 4. Other, or comment

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Date: / /1993 *Ballot continues on reverse side...*

OPINION BALLOTS

ISSUE B. *Concerning economic assistance to Eastern Europe, Russia and the other former Soviet states, the U.S. should (check one choice only):*

- ❑ 1. Increase its share of the burden because otherwise Germany and others will gain access to their resources and potentially lucrative markets and the U.S. will lose out.
- ❑ 2. Maintain present levels of assistance and let Germany and others with more direct geographic and cultural ties assume most of the burden.
- ❑ 3. Decrease the current level of economic assistance.
- ❑ 4. Other, or comment _____

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ISSUE C. *Concerning European integration, to the extent that the U.S. has any influence in the matter it should (check one choice only):*

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- ❑ 2. Discourage European integration.
- ❑ 3. Neither support nor discourage European integration.

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- ❑ 2. Renew China's most-favored-nation status but restrict it to exports produced by private enterprise, not exports of state-owned industries.
- ❑ 3. Make renewal of China's most-favored-nation status conditional on Chinese concessions in non-trade areas, for example human rights.
- ❑ 4. Refuse China most-favored-nation status.
- ❑ 5. Other, or comment _____

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ISSUE C. *How would you rank the seriousness of the following obstacles to improved U.S. relations with China?* Very serious (1) Serious (2) Not serious (3) Not very serious (4)

- ____ a. China's sale of nuclear and missile technology and conventional weapons.
- ____ b. Trade issues, including Chinese "dumping" and theft of technology.
- ____ c. Ideological differences.
- ____ d. Human-rights abuses by China.
- ____ e. U.S. military sales to Taiwan.
- ____ f. Differences over Hong Kong's future.
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China: new reforms, old politics?

As Beijing's old guard fades, economic liberalization is reinvigorating China. Will prosperity bring freedom, or a different set of tyrants?

by the editors

FOCUSING ATTENTION ON REFORM, *Deng Xiaoping (center) and his daughter Deng Nan (rear) toured special economic zones in 1992.*

IN A QUIET PARK in Canton, unnoticed by many tourists, stands a bronze replica of the Statue of Liberty. The monument was built with contributions from the U.S. to honor students whose quest for freedom ended in death at the hands of their own government. It stands as a testament to Sino-American friendship, a symbol of the democratic aspirations of the Chinese, and a concrete reminder that history often repeats itself.

The people commemorated at the Mausoleum of 72 Martyrs were killed in an unsuccessful uprising on April 27, 1911, less than a year before the abdication of the last emperor of China. Seventy-eight years later, in the spring of 1989, a new generation of protestors gathered in Tiananmen Square in Beijing, China's capital. By the end of May, what had begun as a student protest and hunger strike had swelled into a demonstration of more than a million Chinese in Beijing, as well as popular turnouts in over 20 cities across the nation. The demonstrators included workers and farmers, government bureaucrats, party officials, journalists, members of China's new class of entrepreneurs and ordinary spectators. Conspicuous among this human mass was a 33-foot-high white plaster of paris and styrofoam statue of the "Goddess of Democracy." Its resemblance to the Statue of Liberty struck a resonant chord in many Americans.

Many demonstrators wanted greater political freedom for themselves and increased accountability by their leaders. But most had not come to Tiananmen Square to demand that Beijing abandon communism and create an American-style democracy. What united them was anger over the negative side effects brought on by a decade of rapid economic reform. They had come to protest rampant inflation, economic inequality, corruption and nepotism.

Chinese Communist leaders watched the demonstrators with growing alarm. The unrest could not have come at a worse time. A state visit by Soviet leader Mikhail S. Gorbachev, whose own regime would soon disintegrate, had focused media attention on Beijing. Foreigners, they feared, would interpret the protests as evidence that Chinese communism was crumbling. But there was a major difference between the leaders in Beijing and those in Moscow. The Chinese could still count on some of their soldiers to shoot their own people. On the night of June 3, army troops brought into Tiananmen Square from other parts of China opened fire. Amnesty International estimates that at least 1,000 people were killed in Beijing alone, and an additional 5,000 in other parts of China in the weeks following the crackdown. The exact number of dead will never be known.

The massacre brought almost universal condemnation. Sino-American relations, which had been improving ever since President Richard M. Nixon visited China in 1972, hit a new low. In American eyes, the brutal massacre diminished the significance of reforms and liberalization programs initiated by China's "paramount leader" Deng Xiaoping.

China's political crossroads

COMMUNIST China's founder, Mao Zedong (1949–76), often liked to compare himself to Qin Shi Huang, the first emperor of China, who triumphed over a host of warring factions in 221 B.C. to unify the "Middle Kingdom." The name reflects China's self-image as the center of the civilized world. Qin Shi Huang feared his countrymen would be corrupted by foreigners: he burned books, had dissenting scholars buried alive, and built the first segment of the Great Wall to keep out "barbarians."

Mao also believed that China would have to look inward to realize the ideals of the Communist revolution. Like Qin Shi Huang, he ruled his empire with ferocity. When the Communists established the People's Republic of China (PRC) on October 1, 1949, after nearly three decades of civil strife and foreign invasion, they quickly moved against perceived enemies of the new regime. Hundreds of thousands of refugees poured into the British colony of Hong Kong or followed the Nationalist leader Chiang Kai-shek and his army to the island of Taiwan.

Mao's legacy

For the next 25 years, Mao pursued a policy of strength through ideological purity that brought periodic economic chaos and political savagery. When Mao died in 1976, China was staggering from the effects of the Cultural Revolution—a purge which claimed many of the country's leaders, administrators, educators and factory managers during the late 1960s and early 1970s. In 1977 Deng Xiaoping, a Mao protégé who had fallen from grace during the Cultural Revolution, emerged as Mao's successor, leading a group of pragmatic moderates who began a decade of reforms that de-emphasized highly centralized economic planning and injected market incentives into the Chinese economy. Farmers, for example, were allowed to sell some of their produce privately. Gradually, Beijing opened the nation to foreign investment. As the state's stranglehold on the economy relaxed, so did its grip on political discourse. During the 1980s agitation for political reform increased.

Friendlier enemies

The U.S. watched China's liberalization with growing optimism. In 1949, Washington had refused to recognize "Red China," allying itself with Chiang's exile government in Taiwan. In the 1950s and early 1960s, Sino-American relations were at a historic low. American soldiers fought Chinese troops during the Korean War. China appeared to be an integral part of the Soviet bloc. The U.S. and its allies hoped to drive a wedge between the two by keeping up pressure on China while encouraging *détente* with the Soviet Union. A key rationale for waging the Vietnam War was to contain Chinese Communist expansionism.

By the late 1950s, Sino-Soviet relations had begun to deteriorate. Historic tensions, border conflicts and ideological disputes exacerbated the differences between Moscow and Beijing. The Kremlin's decision to cancel a secret agreement to help China manufacture nuclear weapons also fueled hostility. In the wake of the 1962 Cuban missile crisis, when the U.S. was threatened by the emplacement of Soviet nuclear weapons 90 miles off the Florida coast, Moscow began to pursue a policy of "peaceful coexistence" with the West. Beijing watched uneasily as Moscow sought rapprochement with Washington. China's nuclear program proceeded on its own. In 1964, both the U.S. and the U.S.S.R. were horrified when China exploded an atomic bomb.

During the late 1960s and early 1970s the relationship between the Soviet Union, China and the U.S. began to change. Gradually, as the Kremlin pursued a more aggressive foreign policy under Leonid I. Brezhnev (1964–82), Beijing and Washington came to regard the Soviet Union as a common threat. President Nixon's 1972 visit to Beijing began a warming trend that culminated during the Carter Administration (1977–81). On January 1, 1979, the U.S. extended diplomatic recognition to China.

In order to establish relations with Beijing, the U.S. had agreed to break formal ties with Taiwan, terminate its mutual defense treaty and withdraw all its troops from the island. It did not promise not to sell arms to Taiwan for its defense and pledged to continue unofficial political relations as well as economic and cultural ties. Nevertheless, President Jimmy Carter's critics accused him of selling out Taiwan. Congress adopted the Taiwan Relations Act to legalize "people to people" relations and express American commitment to helping the island maintain its ability to defend itself.

Despite differences, there was a consensus that developing a strong relationship with China was good for the U.S. The Nixon, Ford, Carter and Reagan Administrations believed that China and the U.S. had mutual interests in preventing Soviet expansion in Asia and in promoting stability there. Both Washington and Beijing opposed the Soviet invasion of Afghanistan in 1979 and were critical of Moscow's support of Vietnam and its aggression in Cambodia. Even before relations were normalized, Washington was exploring the possibility of defense cooperation with Beijing, including high-level military exchanges and arms sales. Beginning in 1979, the U.S. signed a series of agreements with China on scientific and technological cooperation. In 1985, the U.S. began periodic sales of military equipment, including $500 million in advanced avionics for 50 of China's F-8 fighters. American trade and investment ties with China steadily grew. The U.S.-China honeymoon ended with Tiananmen Square. In America, optimism that relations with China would become even closer disappeared for a time.

A struggle for power

China is grappling with its greatest succession crisis since the death of Mao. Long-standing conflicts between hard-liners and moderates have simmered since Tiananmen Square; how they will be resolved is the dominant issue of Chinese politics. The outcome depends very much upon who succeeds the 88-year-old Deng Xiaoping. Deng retired in November 1989 from his last official post as chairman of the party's Central Military Commission, but he remains China's most powerful

leader. He is in ill health and does not often appear in public. Nevertheless, Deng is able to rule by establishing broad policy guidelines and choosing key people to implement them. In recent years, China has been governed by two leadership echelons. The top one, mostly in their 80s, includes the people who make policy. This "Gang of Elders," led by Deng, is made up of a handful of surviving revolutionary veterans who are reluctant to yield to the next generation. These include President Yang Shangkun, said to be solidly behind the 1989 crackdown (one of the units involved in the massacre was commanded by his younger half brother, Yang Baibing); and the 87-year-old Chen Yun, the economist who was influential in restoring the economy after Mao's disastrous Great Leap Forward (1958–60), when agriculture was collectivized and government-owned factories were built, but who remains critical of economic liberalization. The other group is in their 50s and 60s. Most are college educated and have lived in the Soviet Union or elsewhere overseas. They are the people who implement policy but do not make it.

Factional fighting

During the late 1980s there were basically three factions struggling for dominance within the Communist party. One, led by Zhao Ziyang, an early protégé of Deng, pushed for free-market reforms. This group was vigorously opposed by the hard-liners associated with Chen Yun and others who favored retaining most attributes of a socialist centrally planned economy. A third group took a centrist postion, favoring a slower, more cautious approach to reform. Prime Minister Li Peng, who was born in 1928, and played a major role in imposing martial law on the Tiananmen Square demonstrators, is often associated with this group. "The market has its own weak points," Li has said. "Therefore, in a socialist market economy, macro-control by the state is indispensable."

Although Deng is said to blame the liberal political reformers for the 1989 turmoil, he maintains that Communist conservatives also pose a danger to party rule by obstructing China's reform efforts. Yet Deng has consistently opposed political freedom in China

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even as he has supported economic reforms. Ever since June 1989, there have been executions and imprisonments of dissidents, surveillance, intimidation and a smothering of academic and journalistic expression. Deng maintains that his two disgraced protégés, former party chief Zhao Ziyang and Zhao's predecessor, the late Hu Yaobang, failed not because of their economic policies, but because they allowed the spread of liberal political ideas. Hu's death from natural causes in April 1989 sparked the first protests in Tiananmen Square.

In the wake of the crackdown, it first appeared as though hard-liners had won the Communist party's inner struggle: China would call a halt to economic reform. But as the state's huge industries continued to flounder, its private enterpreneurs flourished. In January and February 1992, Deng made a much-publicized tour of the "special economic zones" (SEZs) along the southern coast, where entrepreneurs were developing thriving businesses with foreigners free from state intervention. The trip signaled an end to the party's preoccupation with ideology in favor of a new emphasis on economic development. "It makes no difference whether a cat is black or white," Deng said in the 1960s, "as long as it catches mice."

Today, Deng is said to favor continued efforts to free prices, turn industry over to private hands, and make other free-market reforms. In official news reports, he has called for the development of a "capitalist economy…as a useful supplement to the socialist economy." He is gambling that if the Chinese people see economic progress, they will not threaten party rule.

The 14th party congress

These statements set the stage for the 14th Communist party congress, which was convened in Beijing in October 1992. (The congress is held every five years or so to decide who will run China for the next five years.) It was probably the last to be held in Deng's lifetime and it sent a clear signal that the party intends to focus on economic restructuring while maintaining political repression. The party promoted several people who favor economic reforms and ousted two hard-liners. Renamed to head the inner circle was Jiang Zemin, the party's general secretary. Jiang is Deng's candidate to succeed him, but many observers doubt his staying power without Deng's patronage. Prime Minister Li Peng also survived the reshuffle, although some analysts predict that he will be eased out in 1993. They say the 64-year-old Zhu Rongji, former mayor of Shanghai who has been called "China's Gorbachev" for his work in leading the drive toward market reform, is the leading candidate to replace Li Peng. Meanwhile, Yang Shangkun and his half brother have lost much of their power.

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China, Hong Kong and Taiwan

NEXT DOOR to China's special economic zone in Guangdong province is the British colony of Hong Kong, one of the most vibrant economies in the world. Today, Hong Kong is the source of about one third of China's foreign-exchange earnings, two thirds of its foreign investment, and most of its high-technology goods. Hong Kong is also China's main window on the outside world, and the entry port of most foreign tourists. In 1997, Britain's 99-year lease on Hong Kong expires and ownership of the colony reverts to the Chinese government. As 1997 approaches, many people are wondering which system will eventually triumph in China, Beijing's communism, or Hong Kong's capitalism.

Refugees who fled mainland China following the Communist takeover have contributed to two of the great economic miracles of the post-war world—Hong Kong and Taiwan. The economic boom from the 1960s through the 1980s has brought tremendous wealth to their people. Between 1978 and 1987 per capita income in Hong Kong rocketed 132%, as the economy grew at an annual rate of almost 10%. Today the average personal income of the Hong Kong Chinese is 35 times greater than that of an individual in the PRC, according to *The Economist* (London). The average Taiwanese income is 30 times greater. According to the same magazine, the incomes of the Taiwanese and Hong Kong Chinese are greater than those of the Irish and Spanish. The average mainland Chinese, it says, earns as much as someone in Kenya or Pakistan.

Hong Kong's uncertain future

There is much disagreement over whether Hong Kong's way of life will survive after 1997. Its people have grown accustomed to civil liberties and free enterprise. As 1997 approaches, Hong Kong Chinese are debating the best course of action. Some of its most prominent citizens, such as Martin Lee, a lawyer whose party won a majority of the directly contested seats in the colony's first legislative elections in 1991, argue that Hong Kong must move aggressively to defend its political rights. Others, including many pragmatic businessmen, maintain that politics must be downplayed. They argue that Beijing will have little desire to tamper with the goose that laid so many golden eggs. And there are those who fear that the Communist bureaucrats have no understanding or experience in governing a free-market state. They worry that Beijing will draw heavy taxes

A number of conservatives were named to an expanded politburo, suggesting a behind-the-scenes compromise in which no single leader was picked to inherit Deng's mantle. Indeed, Deng may believe that collective leadership, rather than one dominant figure, is the most likely course after he leaves the scene.

There is no outward sign that anyone in China's current leadership favors political liberalization to go along with economic changes. Although Deng appeared to nail down his plan to transform China's economy, analysts caution that the battle is far from over. A market economy, many observers say, is incompatible with authoritarian politics in the long run. Invariably, once people become more prosperous they seek political freedom. The more China opens itself to the outside world for trade and investment, the more it is exposed to political and cultural influences as well. The information and technology revolution, as well as travelers and tourists, accentuate this trend.

Of obvious importance to the succession is the order in which party elders die. Leaders who count on Deng as their patron may falter if Deng goes first. The same is true for protégés of Chen and Yang. Many veterans have sought to ensure their legacy by installing relatives, but these "crown princes" did not fare well at the party congress.

The wild card

"Power," wrote Mao, "grows from the barrel of a gun." The People's Liberation Army (PLA), whose guns won power for the Communists, today appears to be divided. During the 1989 protests, the PLA was split between factions who supported the regime and often younger groups who sympathized with the demonstrators. Indeed, Communist party officials were so doubtful of the loyalty of many troops garrisoned in Beijing that they called in elements of the 27th Army, stationed in the provinces, to put down the demonstrations. Since the Tiananmen Square massacre, the conservatives have tried to tighten their grip on the military. They have purged moderate officers and promoted hard-liners. President Yang Shangkun and his half brother have shuffled top commanders to promote their own influence, provoking broad resentment. This may have contributed to their setback at the congress.

Communism's achievements

Some observers believe that if the regime can sustain the current rate of robust economic growth, it might fend off collapse for many years. In order to maintain economic strength, Deng has said, the country needs "stability, stability and more stability."

This emphasis on order may be a reaction to recent Chinese history. Before the Communists came to power, China had been ravaged by more than a century of foreign imperialism. Traders from Europe, America and Japan, protected by strong military contingents, reaped rich profits. China's agrarian economy was unable consistently to sustain its population, and periodic famine killed millions.

The Communists succeeded in more than doubling China's grain production. The average life expectancy jumped from 32 years to 69. More food and better health care brought a new problem—since 1949 the number of Chinese has more than doubled. Today, there are approximately 1.2 billion Chinese, more than a fifth of the world's total population and more than all the inhabitants of North America, the former Soviet Union and Western Europe combined, in an area only slightly larger than the U.S. Moreover, despite tensions with minorities in the vast Tibetan and Mongolian regions, almost 95% of the country's population is Han Chinese. Whatever the country's other problems, China's heartland faces less threat of violent ethnic nationalism than the former So-

from Hong Kong without plowing funds back into the infrastructure it needs to maintain its economic vitality. Many say the best way to make Beijing appreciate Hong Kong's economic system is for Hong Kong to promote its integration with the economies of China's special economic zones.

'Greater China'

In many ways, Taiwan's situation is the reverse of Hong Kong's. Prosperity has brought greater democracy as the Nationalist party has loosened its authoritarian grip. Moreover, as the island's economic clout grows, the diplomatic isolation many Taiwanese felt in the wake of the U.S. decision to recognize the PRC has begun to erode. Officially, Taiwan does not permit direct trade with China. But Taiwanese investment in the mainland, funneled through Hong Kong, has soared in the last decade. Two-way trade jumped from practically nothing when Deng first came to power to an estimated $7 billion in 1992. The Taiwanese government is resisting rising pressure to allow direct trade until China pledges not to use force to take over the island. But ties between the two societies are growing regardless of the policies of their respective governments. As Asia's economic boom continues in the 1990s, analysts speak of a Greater China that encompasses the mainland, Hong Kong and Taiwan.

China's future relations with Taiwan and Hong Kong depend upon internal politics in Beijing. The same holds true for its relations with the rest of the world. "Two realities lie behind Deng's reform-era foreign policy," writes China-watcher Ross Terrill. "China is more involved in the world than during the Mao era, by virtue of its new stress on economic development; and the world has become more complex than a pageant of 'imperialist superpowers' lording it over a poor and righteous 'Third World'." Thus China has begun to court other nations. In 1992, the heads of state of two of China's most bitter historical enemies, Roh Tae Woo of South Korea, and the Emperor of Japan, were invited to Beijing for talks. Boris N. Yeltsin, president of Russia, was expected to make a visit in December. This diplomatic activity, coupled with Beijing's desire to keep lucrative trade lines open through Hong Kong with Taiwan and the other prosperous nations of Asia, suggests to some analysts that new economic policies will bring political liberalization.

Others take a cautious view. Chinese people have tolerated political repression for centuries. As long as the economy remains stable, a repeat of the spring of 1989 seems improbable to them. As one Chinese official, described as a liberal reformer, put it: "Chinese people over 40...suffered so much from social chaos they want stability. It doesn't mean the people don't want democracy, but it must come step by step."

viet Union. However, there are serious problems, especially in Tibet and the Muslim areas where there have been uprisings over the years.

Mistrust and need

The central policy issue defined by China's leaders is how best to make the country rich and strong. Reformers maintain that China benefits enormously from trade and investment and has to keep its doors open to the world. Nearly one third of China's expanding gross national product, the total value of its goods and services, is now linked to foreign trade. Supporters of Deng, who himself spent six years in France as a worker and student in the 1920s, believe that China must copy selected Western methods in order to survive. They want Western technological and scientific knowledge. Although they consider Western ideas on individual liberty and democracy a threat to political stability, they nevertheless favor expanding international business ties. Greater economic interdependence with the West has led to a selective easing of repressive policies at home.

Deng's conservative opponents warn that China must never forget the humiliation of foreign exploitation during the 19th century. They see the industrialized Western nations as enemies, hostile to socialism and eager to reopen China for exploitation. These conservatives favor limits on ties with the West. Rapprochement with the West, they argue, cannot come at the price of interference in human-rights issues, trade concessions and the denial of China's right to sell arms where it pleases.

Communist hard-liners assert that the 1989 demonstrations and the Western economic and diplomatic sanctions that followed were part of American efforts to destroy communism. Compared to other major powers, China is economically backward and has limited ability to project military power far from its borders. With the collapse of the Soviet Union, many Chinese diplomats realize that Beijing can no longer take advantage of superpower rivalry to bargain for U.S. support. They fear China will lose diplomatic freedom and domestic control in a new world order manipulated by Washington.

"The world view of China's leadership is out of sync with reality," David Shambaugh, a London University Sinologist, told *The Christian Science Monitor* recently. "There is an extreme disjuncture between the Chinese elite that clings to the idea of state sovereignty...and the simple fact of life today that money, trade, missiles, and human rights transcend national borders."

The two economies

DURING the 1980s, as free-market reforms reinvigorated China's southern coast, the old port city of Shanghai boomed with new construction. Hotels and convention centers sprang up. One of the most luxurious was the Shanghai Hilton International, with executive accommodations that offered businessmen the most up-to-date international services.

Across from the Hilton's palatial entrance dozens of illegal saloons catering to foreigners appeared. Many of them, with names like Smiling Bar, Angel Bar, and Small Shanghai Bar, were really little more than ramshackle places where beer and liquor were served. One of the most dilapidated was a one-room watering hole called Jams. The sign over the door was originally supposed to read "James" but the signmaker forgot the "e." Just the same, Jams was often jammed. The woman behind the bar was not shy about her family's business success. In the spring of 1989 she told a visitor

that her brother had opened three such establishments. The authorities tended to turn a blind eye toward these gin joints, as long as the owners paid "taxes."

Deng's big boom

In the long hot summer that followed the Tiananmen Square incident, these watering holes dried up as the Communist party cracked down on illegal businesses and moved to recentralize the economy. They took measures to cut the role of the marketplace and reduce the widening gap in living standards between the interior provinces and the prosperous coast, with its easier access to foreign trade and investment.

But in 1992 the march toward a market economy resumed with Deng Xiaoping's blessing. On June 28, just over three years after the massacre in Tiananmen Square, *The New York Times* reported that Beijing was stepping up plans to privatize housing, decontrol prices and convert a large share of state industry into stockholders' companies.

The reforms Deng introduced in 1979 had two main goals. One was to allow supply and demand to determine farm prices and replace inefficient communes with family farms. The policy was a resounding success. By 1988 grain production had soared 44% and incomes had doubled in the countryside, where four-fifths of all Chinese live.

Deng's second great goal was to open the door to foreign investment. But, to avoid accusations that his regime was betraying the revolution, this could only be accomplished in certain selected areas. The coastal provinces, stretching from Hainan island in the southeast up through Guangdong province, adjacent to Hong Kong, and on to Fujian province, opposite Taiwan, became the sites of SEZs.

In these selected provinces the economies surged. From 1980 to 1990, economic growth jumped 12.5% annually in Guangdong, whose capital, Canton, had boomed with European traders for more than a century before the Communists came to power. Today, attracted by official encouragement and strong business incentives, foreign investment is pouring in, making this province of 64 million people—slightly larger in population than Britain or France—the most well-to-do in China. In a good week, the stock market in Shenzhen, near the Hong Kong border, trades $250 million worth of shares. Proponents of reform call for special policies to encourage foreign investment to be extended into the interior.

Breaking the 'iron rice bowl'

Opposition to reform does not only come from Communist ideologues Many ordinary citizens are growing increasingly disenchanted as more state-owned companies lay off workers or even close down. Meanwhile, inflation is rising as prices more closely reflect true market levels. The price of a bowl of noodles, for example, has almost doubled in the last two years from 7 cents to 12 cents, according to *The New York Times*. Many Chinese fear that capitalism will continue to raise the cost of food and housing and destroy what is popularly known as the iron rice bowl, the system that guarantees them a secure income, a job and a place to live.

As Beijing tries to impose market discipline on state-owned enterprises, it is inevitable that resentment will rise against reformers. One third of these industries lose money, and Western analysts say they are overstaffed by as much as 26%. Reformers are trying to cut government subsidies and lay off nonproductive workers. But their efforts are undercut by the nepotism and corruption that plague the system. Few workers care to make sacrifices for the good of a state where such abuses are rampant.

Nevertheless, developing a free-market system may be less difficult for China than for Russia. Deng's moves toward putting farms and industry into private hands already have made China more of a market economy. In Russia, the bulk of industry is state-owned and most land is collectively farmed.

Observers say that as long as there is economic progress, Deng can contain any popular backlash against his regime. Nevertheless, many commentators agree that continuing moves to liberalize the economy will increase pressure for political liberties as well. Whoever succeeds Deng may have a difficult time maintaining central authority over the provinces. Deng's successor "will likely be someone who responds to events rather than shaping them," writes China expert David Bachman, "and someone who spends most of his time bargaining with important domestic groups rather than formulating a clear-cut ideology."

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The U.S. and China

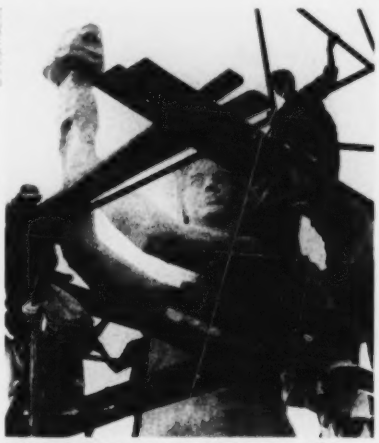
More than three years after the Tiananmen Square demonstrations, relations between Beijing and Washington remain tense. The Bush Administration initially condemned Beijing for the Tiananmen Square crackdown. But liberal and conservative critics in Congress charged that the Administration did not lean hard enough on Beijing to free political prisoners and ease up on dissent. What was worse, they charged, the President was saying one thing about China and doing another. In December 1989, despite a ban on high-level visits, national security adviser Brent Scowcroft went to Beijing, and it was revealed that he had already gone there secretly that July, purportedly to put private pressure on Chinese leaders. The Administration defended the visit, arguing that cutting links with Chinese leaders would only isolate China internationally and prompt even harsher measures against dissident intellectuals, entrepreneurs and other proponents of liberal reform.

The Administration argued further that the U.S. must continue to deal with China in light of changing global politics. With the final collapse of the Soviet Union in December 1991, China became by far the largest and most powerful surviving Communist power. The others—Cuba, North Korea and Vietnam—are too small to pose a major threat to U.S. interests. But China, by virtue of its huge landmass and tremendous population, continues to wield major international and regional influence. Beijing retains veto power in the UN Security Council and is a key factor in the tumultuous politics of Indochina, the Korean peninsula, and other hot spots in Asia. In the case of the Gulf war, Beijing showed that it was willing to cooperate with the West. But deep ideological, political and economic differences remain over arms control, trade and human rights.

Arms control

Some observers fear that China has replaced the Soviet Union as the West's most powerful potential enemy. Compared to Russia, which still commands a vast nuclear arsenal with thousands of warheads and the technology to deliver them all over the globe, China's nuclear capability is small. China has sent mixed signals about its willingness to halt the spread of nuclear weapons. On the one hand, it has signed the Nuclear Nonproliferation Treaty of 1968; on the other, it continues to test nuclear devices and to supply other countries with nuclear technology.

China sells nuclear technology



THE GODDESS OF DEMOCRACY, *Chinese version of the Statue of Liberty, is assembled by student demonstrators in Tiananmen Square.*

throughout the world. During the 1960s it provided North Korea with technical information and scientific help. During the last decade, China is widely believed to have supplied nuclear materials to Algeria, Argentina, Brazil, India, Iran, Pakistan, South Africa and Syria. Some of these nations, such as Algeria, insist it is for peaceful uses, but many experts are skeptical. They fear that China will continue to export nuclear technology to other countries because it needs hard currency to trade on the international market. Gary Milhollin, director of the Wisconsin Project on Nuclear Arms Control, a Washington-based organization that studies nuclear proliferation, calls China "the last big holdout in the world when it comes to nuclear technology sales." In May 1992, Beijing conducted its largest-ever nuclear test in an undergound blast with about 70 times the force of the bomb dropped by the U.S. on Hiroshima in 1945. Washington criticized China for continuing its nuclear testing program. In turn, antinuclear activists accused the Bush Administration of hypocrisy because the U.S. has been going ahead with its own underground nuclear testing program.

China also conducts a vigorous trade in conventional (nonnuclear) weapons. From 1986 through 1989, China's military sales to Third World countries exceeded those of Britain, France or Germany, according to the magazine *Nuclear Times*. During the eight-year Iran-Iraq war, China supplied Silkworm missiles to both parties. In October 1992, *The New York Times* reported that China was buying missile-guidance technology, rocket engines and other advanced weapons systems from Russia. While Washington was expressing concern that Beijing was buying the weapons to acquire the technology and to reexport the arms to other countries, the U.S. itself, in September 1992, had announced the sale of combat jets to Saudi Arabia and Taiwan worth some $15 billion. That exceeds the value of all U.S. arms sales to the Third World in 1991, according to *The New York Times*. Beijing accused the U.S. of breaking a 1982 agreement to curb arms sales to Taiwan and threatened to withdraw from arms-control talks with other members of the UN Security Council. The White House countered that the sale would "help maintain peace and stability" in the region and did not break the accord. The Bush Administration said the move would help Taiwan to maintain air-force parity with China, which had recently purchased 24 advanced SU-27 fighters from Russia.

Human rights

The Chinese government has held public trials of only a few prominent Tiananmen Square protestors. According to an April 1991 statement by the president of the Chinese Supreme Court, about 800 more had been tried in secret and apparently found guilty. Some 27 people were sentenced to death. The rest were assigned to forced labor camps or imprisoned under harsh conditions.

In China, prisoners must work. The

U.S. bans the import of goods manufactured by prison labor but for years Chinese prisons have quietly exported clothes, machinery and other goods made by convicts. The Chinese government at first denied convict labor is used in exports to the U.S. but later said that it may have occurred without official knowledge. Such exports have enraged congressmen not only because of the violation of human rights but because of the perception that they also cost American jobs. In August, Beijing and Washington signed an agreement prohibiting China from exporting prison-made goods to the U.S.

Trade disputes

Many American businesses and U.S. government officials accuse the Chinese of dumping products in the U.S.—that is, selling them for less than they cost to produce—while restricting foreign access to its own markets through an extensive web of quotas and other restrictions. In 1991, Chinese exports to America reached $19 billion while its imports from the U.S. were valued at $6.3 billion. America's trade deficit with China is expected to exceed $19 billion for 1992, second only to the country's deficit with Japan.

In August 1992, the U.S. threatened to impose punitive tariffs of up to 100% on $3.9 billion worth of Chinese goods if China failed to liberalize its trade practices by October 10. Such tariffs would have effectively doubled the price of many Chinese goods in American markets. In response, Beijing threatened to place duties on some $4 billion worth of American grain, aircraft, automobiles and other goods. On October 9, Washington and Beijing announced they had reached an accord under which China would lower barriers to American imports, opening up the Chinese market to computers, chemicals, telecommunications and other U.S.-made goods. These measures will also help China move toward its announced goal of rejoining the General Agreement on Tariffs and Trade. Known as GATT, the organization aims to reduce trade barriers among its more than 100 members.

Many American businessmen also accuse the Chinese of violating trademarks and stealing intellectual property such as technology. Some American software manufacturers claim, for example, that pirated software in China has cost the U.S. industry as much as $400 million a year in lost sales and lease earnings. In 1991, after the Bush Administration conducted a series of investigations, Beijing agreed to take measures to protect certain intellectual property rights.

The MFN debate

Since 1990, there has been an annual debate between the White House and Congress over whether to extend most-favored-nation (MFN) status to China for another year. Many congressmen have argued that refusing to extend MFN—the privilege of receiving the standard low U.S. tariffs on imported goods—would be a concrete way to express American anger over Beijing's human-rights abuses and to protest its growing arms trade. In 1992, Congress passed legislation that would have placed conditions on China's access to the U.S. market in 1993 if China failed to show improvement in human rights, to reduce arms sales, and to end unfair trade practices in the intervening year. But in September President George Bush vetoed the legislation, as he had the previous two years.

Although the words imply special consideration, the U.S. maintains MFN relations with 160 countries, including Syria, Libya and other nations with reputations for human-rights abuses. GATT members routinely grant one another such status, and many continue to confer it on China.

'Constructive engagement'

The Bush Administration characterized its China policy as one of "constructive engagement." It argued that maintaining open ties with China produced slow but steady improvement in Chinese human-rights policies. (For example, in 1990, Beijing permitted Fang Lizhi, a prominent physicist and dissident, to leave China after he and his wife had spent over a year in the U.S. embassy.) The White House also maintains that its policies have brought some concessions from Beijing in curtailing arms exports. "There is no doubt in my mind that if we present China's leaders with an ultimatum on MFN, the result will be weakened ties to the West and further repression," President Bush wrote in a letter to Congress explaining his reasons for supporting continued MFN status for China. "The end result will not be progress on human rights, arms control, or trade. Anyone familiar with recent Chinese history can attest that the most brutal and protracted periods of repression took place precisely when China turned inward, against the world."

The President argued that trade restraints would "severely handicap U.S. business in China, penalizing American workers and eliminating jobs in this country." It would also severely damage the Western-oriented modernizing elements in China and strengthen opposition to democracy and economic reform. Moreover, observers have pointed out that with businessmen from Hong Kong and Taiwan investing in China's southern provinces and re-exporting goods made there, sanctions would not only hurt more-entrepreneurial elements in China, they would also damage the interests of those in Greater China. (Several congressmen and senators have acknowleged that denying MFN status might indeed hurt these democratic elements. But they favor placing U.S. import restrictions on goods made by China's state enterprises if Beijing fails to improve its human-rights record.)

Bush maintained that recent agreements by the Chinese to protect U.S. intellectual property, to sign the Nuclear Nonproliferation Treaty and to discuss human-rights concerns "are clear achievements of my Administration's policy."

Alienating liberals?

Critics counter that Bush's policy backfired, alienating liberal reformers in China who counted on U.S. support and removing incentives for change in Beijing. So far, they say, constructive engagement has had little impact. "The President's decision [on MFN] is wrong, inconsistent with American values and contrary to American interests," Senate Majority Leader George J. Mitchell (D-Maine), told *The New York Times*. "The longer the President's policy remains in effect, the greater and more obvious is its failure."

Critics charge that the Communist party has shown no remorse for the deaths in Tiananmen Square, has maintained political repression, and has made no significant concessions on U.S. complaints.

Bush's supporters point out that after Tiananmen the U.S. maintained tougher sanctions longer than any other leading industrialized nation. Japan, for example, which had suspended a $6 billion capital projects loan to China, agreed in July 1990 to resume lending and urged other leading industrial nations to do the same.

Winston Lord, U.S. ambassador to China from 1985 to 1989, disagrees with the Administration that being firm with Beijing is the same as isolating China. U.S. options, he writes, "are not confined to shunning or absolving China. The U.S. should fortify reformers while dealing soberly with the government. We should sharply condemn repression and preserve links with progressive forces. We should maintain a dialogue with Beijing at the working level and in international forums, not with photo opportunities that legitimize the regime. We should continue sanctions in military cooperation, technology transfers and international loans."

During his race for the presidency, Arkansas Gov. Bill Clinton declared: "There is no more striking example of Mr. Bush's indifference toward democracy than his policy toward China." Clinton called for a tougher approach to Beijing and said his Administration would use U.S. influence "to work with the Chinese for a peaceful transition to democracy and the spread of free markets." But, he added, "Our nation has a higher purpose than to coddle dictators."

In remarks made two weeks after the election, however, President-elect Clinton softened his approach, suggesting that President Bush's policies toward China were showing signs of reducing human-rights and trade violations. "We have a big stake in not isolating China, in seeing that China continues to develop a market economy," he said. "But we also have to insist, I believe, on human rights and decency. And I think there are indications in the last few months that a firm hand by our government can help achieve that."

If, as President, Clinton were to decide to tie MFN status to China's observance of human rights, he could jeopardize the $34 billion U.S.-China trade, undermining his own efforts to push American economic growth, according to *The Wall Street Journal*. Beijing officials have indicated that if Washington leans on them too heavily, China will buy jetliners from Europe's Airbus Industrie rather than America's Boeing Co., shut U.S. companies out of its telecommunications market, and purchase its grain from Canada or Australia instead of the U.S.

HUMAN RIGHTS! MFN!
HUMAN RIGHTS! MFN!
HUMAN RIGHTS! MFN!
HUMAN RIGHTS!
MFN!
...THE NEVER NEVER GOING STOP - ASIAN STYLE!
SAME OLD TUNE WITH ALL PRESIDENTS, LET'S TALK ABOUT SOMETHING NEW... HOW ABOUT SPITTOONS?
CHINA

He who rides a dragon...

U.S. policy options

Today, Americans are faced with difficult questions about relations with the world's largest, and potentially most dangerous, country. What policies should the U.S. adopt in the following three areas?

❑ **1. Overall U.S. policy toward China:**

a. Continue the Bush Administration's course of "constructive engagement" with Beijing by taking a pragmatic stance that enables Washington to work with China over human rights, arms control and other vital issues while maintaining an open line to dissidents.

b. Reject compromises with Beijing and condition future relations on China's ending human-rights abuses, eliminating trade barriers and curtailing sales of nuclear technology and conventional weapons. Use links with dissidents as leverage to encourage the downfall of communism.

c. Follow a policy based on *realpolitik*: deal with the Chinese government, gearing American actions to protecting U.S. interests and leaving China's future to the Chinese.

❑ **2. Human-rights abuses:**

a. The U.S. must take a stronger stance on behalf of human rights by making it clear to Beijing that the price of doing business with America is making a commitment to greater freedom for the Chinese people. Washington must do all it can to aid exiled Chinese dissidents.

b. The U.S. can do little to end repression. Washington has only marginal influence on China's internal affairs. The best way to encourage human rights is to continue to trade with China. History shows that economic freedom inevitably brings political freedom.

❑ **3. Trade relations:**

a. MFN is an important tool for expanding trade links that benefit American exporters and consumers. Refusing to extend it to China, when the U.S. grants other, equally repressive countries such status, is inconsistent and ultimately self-defeating. Withholding MFN would also hurt reformers in China and the people in Hong Kong.

b. Refusing MFN status to China or placing conditions on it would send an important message: the U.S. does not trade with governments that shoot their own people. While it is true that American exporters and consumers will suffer in the short-term, Washington gains moral stature that will benefit U.S. relations with the world's largest country after communism collapses in China.

c. Extend MFN for a year, conditioned on China improving its human rights record. This would use America's most powerful leverage without cutting off MFN. The Chinese would have incentives to make concessions, enabling Washington to accomplish both goals at once—improving human rights and preserving trade ties.

DISCUSSION QUESTIONS

1. Human rights remain a major issue in Sino-American relations. How can the U.S. come to terms with its support for human rights, on the one hand, and the need to seek good relations with China, on the other?

2. The annual decision to extend most-favored-nation trade status to China has become the focal point of debate over this country's China policy. Where do you stand on this issue? Should the U.S. extend MFN status unconditionally? extend it with strings attached? withhold MFN status unless China makes certain concessions, e.g. on human rights?

3. Experience has made China wary of foreign meddling in the country's internal affairs. Therefore, how can the U.S. encourage human rights, political liberalization and free-market reform within China without driving the PRC into self-imposed isolation?

4. Given the tension between the Chinese Communist party's desire to hold on to power and the yearning for personal liberty of many Chinese, how likely is it that economic reforms in China will continue? Do you think they will lead to political liberalization?

5. What, if anything, should the U.S. do to ensure that the political and economic interests of Hong Kong are protected as the British lease expires and Hong Kong reverts to Chinese rule? What kind of a backlash might such U.S. interference create in China?

6. Trade deficits, charges of product dumping, intellectual piracy and other trade tensions also strain Sino-American relations. If free-market reforms triumph in China, do you expect these tensions to dissolve or grow worse?

7. What can the U.S. and other Western democracies do to pressure China to curb the spread of nuclear technology?

8. How will the Soviet collapse affect future Sino-American relations?

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THE ASIA FOUNDATION, 465 California St., 14th Floor, San Francisco, Calif. 94104; (415) 982-4640. ■ Sponsors programs throughout East and South Asia for scholars, journalists and legislators; organizes conferences on journalism and politics in Asia; provides books to Asian libraries.

THE ASIA SOCIETY, Contemporary Affairs Dept., 725 Park Ave., New York, N.Y. 10021; (212) 288-6400. ■ Educational institution promoting better understanding between Asians and Americans. Corporate department for business contacts; bookstore. Publications include country briefings.

ASIA WATCH, 1522 K St., NW, Suite 910, Washington, D.C. 20005; (202) 371-6592. ■ A regional division of Human Rights Watch, Asia Watch was established in 1985 to monitor and promote observance of internationally recognized human rights in Asia.

CHINA INSTITUTE IN AMERICA, 125 East 65th St., New York, N.Y. 10021-7088; (212) 744-8181. ■ Goal is to advance Americans' understanding of China; organizes conferences, distributes films and publishes studies.

THE CLAREMONT INSTITUTE, 4650 Arrow Hwy., Suite D-6, Montclair, Calif. 91763; (714) 621-6825. ■ The Asian Studies Center of the Claremont Institute for the Study of Statesmanship and Political Philosophy, a conservative research organization, publishes books, reports and studies.

EAST ASIAN INSTITUTE, Columbia University, 420 West 118th St., New York, N.Y. 10033; (212) 854-7905. ■ The East Asian Curriculum Project supports education on Asia on secondary and elementary levels, provides teacher workshops, classroom materials, teaching guides and consultation on curriculum, audiovisual aids, textbooks and travel opportunities.

Trade and the global economy: projecting U.S. interests

Is an increasingly interdependent international marketplace taking away American jobs, or providing new opportunities for the U.S. and the rest of the world?

by Jacqueline Mazza

OF THE PEOPLE you have seen today, how many owe their jobs to international trade? Probably a lot more than you think. One in six manufacturing workers in the U.S., including machine operators, factory workers and computer technicians, owes his or her job to international trade. Farmers too depend on international trade; one quarter of all U.S. farm goods are sold overseas. Nearly one fifth of the gross domestic product—the total of all goods and services produced in the U.S.—depends on trade. With concern today that the U.S. economy is not "creating enough jobs," everyone—from local officials to the new President—is turning to trade to provide new jobs.

International trade has winners and losers. In order for American goods to be allowed into foreign markets, the U.S. must allow foreign goods to enter this country. The resulting competition between foreign goods, which may be cheaper or of better quality, and American-made products sometimes results in U.S. workers losing their jobs. Foreign workers sometimes lose their jobs when American products sell well in other countries. Most economists agree, though, that the U.S. and the world's economies receive a net benefit from international trade—they gain more jobs than they lose and firms and workers become more competitive in the process. Allowing foreign goods into the U.S. economy has other advantages. A greater variety of goods is available at more competitive prices—from Japanese electronics, to European wines and cheeses, to Chinese silk. Foreign-made goods are a part of everyday life in the U.S.

For decades following World War II, there was a clear consensus in the U.S. on how to expand international trade. The U.S. strategy was to try to reduce obstacles to trade on a worldwide, multilateral basis through an organization known as the General Agreement on Tariffs and Trade (GATT). Through GATT, the U.S. and other nations negotiated reductions in trade barriers so that more goods could be exchanged between them. The U.S. and the world economy prospered, and while the U.S. was the world's economic leader, this consensus on multilateral trade policy was little challenged.

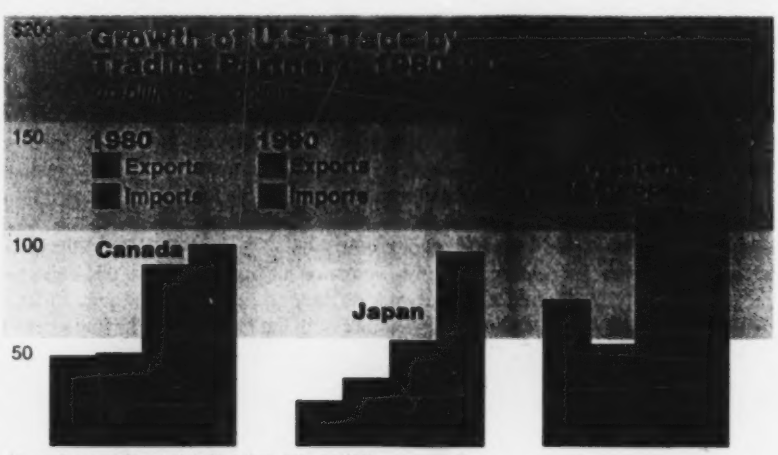
But times have changed. Today the U.S. economy is faltering. Japan and Europe have grown and become strong, direct competitors of the U.S. Whereas in the 1960s the U.S. sold far more goods abroad than it bought from foreign nations, now that situation is reversed. The U.S. buys far more from foreigners than it sells overseas, leading to a huge trade deficit. More and more Americans are looking for jobs or are worried about losing the jobs they have. Public opinion polls indicate that many Americans believe the U.S. is on the wrong track economically.

It is not only domestic economic troubles that are causing many to question the way the U.S. runs its trade policy. Critics like Clyde V. Prestowitz Jr. of the Economic Strategy Institute in Washington, D.C., think the current multilateral trade system is just not working. They believe that America's competitors, particularly Japan, are not playing by the agreed-on rules and that the U.S. economy is suffering for it.

The multilateral track

Ever since the end of World War II, international trade has been expanded through a series of face-to-face negotiations or "rounds" that have reduced national barriers to free trade. The trade rounds have been conducted under the auspices of GATT, which was created in 1948 to provide a framework for multilateral tariff negotiations.

The most recent GATT round was launched in Punta del Este, Uruguay, in 1986. The Bush Administration, in particular, had very high expectations that this Uruguay Round would help expand U.S. exports in areas where the U.S. is particularly competitive, such as services and agriculture. Services trade refers to the exchange of "non-goods" such as legal services, insurance and banking. The Uruguay Round's agenda is



Source: Economic Report of the President, *February 1992*

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Nafta: Good or Bad for the U.S.?

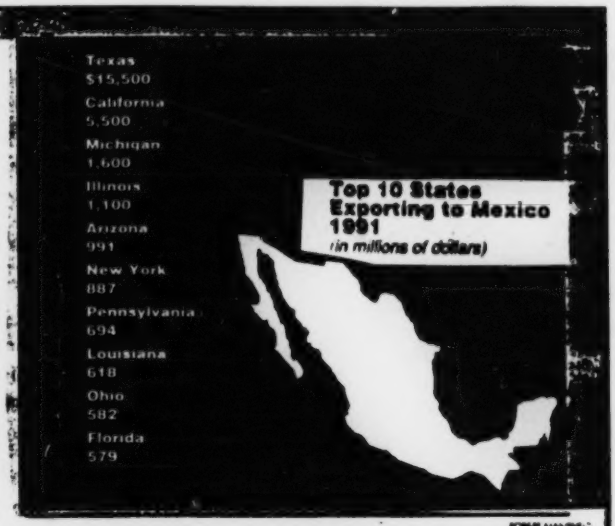
SUPPORTERS AND OPPONENTS of the new North American Free Trade Agreement with Mexico are clearly divided on what the economic effects of the agreement will be. Supporters feel the agreement will bring a net benefit to the U.S. economy; opponents feel it will be a net loss in terms of jobs, wages and environmental standards.

Supporters of Nafta argue that American businesses and workers will benefit by being able to export more goods to Mexico, particularly in the areas of electrical equipment, machinery, auto parts and food products. This export market will continue to expand as the Mexican economy grows as a result of Nafta. President Bush maintained that Nafta will create an export boom, creating 400,000 to 500,000 new jobs. A study by the Washington-based Institute for International Economics predicts that the agreement would create 600,000 jobs in Mexico and 130,000 jobs in the U.S. and lead to a $10 billion improvement in the U.S. trade balance each year.

A wide range of economic studies predict that there will be a small net increase in U.S. gross national product (GNP) and in jobs. They believe the economic benefit will not be dramatic because the Mexican economy is much smaller than the U.S. economy and tariff levels between the two countries are already low.

There is strong support for Nafta among states along the U.S.-Mexican border, which has the highest volume of U.S.-Mexican trade. Nearly one half of all U.S. exports to Mexico in 1991, $15.5 billion, came from just one state, Texas. California was the second biggest exporter with $5.5 billion, and Michigan third with $1.6 billion, largely in vehicle trade.

For Mexico the key benefit from Nafta is considered to be attracting new foreign investment. By relaxing the investment rules, Nafta would make it easier as well as more profitable to invest in Mexico. "The most significant effect of a free-trade agreement would be to reassure Mexican and foreign companies that Mexican reforms are permanent, and that it is safe to invest in the modernization of Mexico and to orient new production toward Canadian and U.S. markets," says Peter Morici, an economics professor at the University of Maine.



Nafta supporters do acknowledge that there will be some loss of jobs among U.S. workers in certain industries, such as clothing and auto parts, and some workers, more likely those with lower skills, may find their wages reduced because of competition from Mexican-based firms. The Bush Administration's labor secretary, Lynn M. Martin, testified before the U.S. Senate that she thought as many as 150,000 U.S. jobs might be lost as a result of the pact. But Administration and Nafta supporters stress the job loss in some industries will be more than offset by job and wage gains in others. Both President Bush and President-elect Clinton support job retraining to compensate those workers laid off because of Nafta.

Opponents of the agreement believe that the U.S. will lose more jobs than it gains and that the job losses will unfairly hit the Midwest and key manufacturing sectors, like textiles and autos, that have already borne the brunt of plant closings. Opponents feel there will be a large "magnet" effect from the agreement—that businesses will be drawn from the U.S. to

to bring agriculture and services trade under international rules for the first time. This would enable the U.S. to export more of these goods abroad. Another area of interest for the U.S. in the Uruguay Round is negotiations to impose stricter rules on intellectual property such as books, computer software and pharmaceuticals. U.S. companies that have invested time and money in product development lose out when foreign companies make cheap copies of their products.

The early hopes for the Uruguay Round have turned into frustration. The talks, scheduled to be completed by 1990, have encountered many roadblocks. With 108 countries participating and highly contentious issues on the agenda, the negotiations are more complex than in previous years. There are a number of areas of disagreement. A key stumbling block is the issue of agricultural subsidies. European subsidies to farmers are particularly high and greatly reduce the price of European agricultural exports, enabling them to win markets that would otherwise go to the more competitive farm products of the U.S. and other countries.

After over six years of Uruguay Round negotiations, failure to reach agreement on agriculture with the Europeans, and in particular the French, pushed American negotiators to draw the line. In November 1992, the U.S. gave Europe 30 days to agree to reduce oilseed subsidies or the U.S. would slap a 200% tariff penalty on $300 million worth of European goods, including white wines from France, Italy and Germany. Over France's opposition, a compromise was reached, and a trade war averted. The agreement between the European Community (EC) and the U.S. appeared to remove one of the last hurdles to conclusion of the Uruguay Round.

Frustration over the talks has caused some observers to claim that GATT can no longer function as it used to. The world trade system has just gotten too complicated and unwieldy, and a few countries can hold up the whole negotiation. Prestowitz, Alan Tonelson and Robert Jerome wrote in the *Harvard Business Review* that GATT is based on

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Mexico by cheaper costs, lower environmental and health standards, and easier foreign investment rules. Many point to a study by the Economic Strategy Institute (ESI) in Washington that predicts, under its low growth scenario, that the U.S. trade deficit would rise by $15 billion and some 400,000 American jobs would be lost, particularly in auto parts, radio and television, and communications. Opponents are also critical of the proposal for retraining displaced U.S. workers, asking how retraining will be funded.

Environment and health

A number of environmentalists worry that, with trade barriers removed under Nafta, more heavy-polluting firms might migrate to Mexico to take advantage of the country's lax pollution standards. They also fear that greater development near the border could worsen environmental and health conditions in both the U.S. and Mexico.

The most visible symbol of the Nafta environmental debate is the collection of foreign firms along the Mexican side of the border known as *maquiladoras* in Spanish (which comes from a term for a miller's fee to grind grain). These maquiladoras are mostly U.S. firms producing electrical products and automobiles. They are taking advantage of tax benefits that allow them to import parts and production machinery duty-free and then export the finished products back to the U.S. The maquiladoras are a top source of foreign exchange and employment for Mexico. The increased air pollution and dumping of hazardous wastes into the water supply from the plants, however, pose health and safety hazards to both Mexicans and U.S. citizens. There have been reported increases in birth defects and hepatitis from unsafe water and sewage treatment in U.S. towns near the border. Many fear these are related to the maquiladoras.

Environmental groups such as the Sierra Club, Friends of the Earth and Greenpeace believe the environmental provisions of Nafta are not sufficient to counter the serious problems that will result. National Resources Defense Council Executive Director John Adams argued in a September 11, 1992, report that the pact "lacks sufficient environmental safeguards" and Congress "should condition final approval on strengthening measures that link environmental protection with the economic integration of North America."

Supporters of Nafta argue that environmental concerns between the U.S. and Mexico existed long before the idea of a free-trade area and will exist long after. The question, they argue, is how to address these environmental concerns. They stress that trade-related growth will help give Mexico the resources it needs to deal with environmental problems. They point out that the Mexican government is fully aware of the problem and has been taking steps to remedy it. The National Wildlife Federation, which supports the agreement, notes that negotiators made "unprecedented progress in addressing environmental issues as part of Nafta negotiations."

The key to many of the environmental and health issues between the U.S. and Mexico seems to be money: to clean up the border area, to enforce pollution standards and to pay for pollution-control devices. House of Representatives Majority Leader Richard A. Gephardt (D-Mo.) has proposed that part of the savings from the reduction in tariffs between Mexico and the U.S. should be rededicated to border cleanup in the form of a "cross-border transaction tax." Another possibility is a "polluter pays" tax system. Under such a system, which is difficult to put into practice, a polluter would pay a tax for the amount of air or water pollution caused.

Immigration

Another key issue raised by Nafta is its potential impact on the flow of illegal Mexican immigrants into the U.S. A number of supporters of Nafta feel it will reduce the numbers of Mexicans coming to this country by creating more jobs for Mexicans in their own country. But even some who support Nafta are skeptical about how much it can really affect the flow of labor while the difference in wages is 8 or 10 to 1. "Nafta itself won't make an immediate difference in the migrant problem, indeed it may not make any difference at all," believes Jeffrey Schott, of the Institute for International Economics. Schott estimates that even an unusually optimistic 30%–40% reduction in the wage gap between the two countries, which could take a generation to accomplish, would not be enough to halt the flow of immigrants.

"assumptions and principles that have become largely irrelevant to the world economy of the 1990s—and to America's interests in that economy." They argue that the U.S. should not formally abandon the GATT system but should spend much less time trying to breathe life into it. Supporters, however, counter that it was inevitable that these talks would be much more difficult than past ones. Tariff reductions—lowering the amount of "tax" assessed on goods as they enter a country—are easier to measure and implement and were the subject of the early rounds. That negotiations are difficult and time-consuming, supporters contend, does not mean they are any less important. Failure of the talks could mean an increase in protectionism and potentially the eruption of new trade wars.

While multilateral talks have become bogged down over the past few years, the U.S. has tried to open up trade on a regional basis.

The regional track

In 1985, the U.S. concluded its first regional free-trade agreement (FTA), with Israel. It was widely viewed as more of a political than an economic accord. Late the following year, at the initiative of the Canadians, the Reagan Administration moved to negotiate a free-trade agreement with this country's largest trading partner, Canada. Canadian leaders wanted to "lock in" access to their biggest market, the U.S., and feared a rise in protectionism in Washington and other capitals. The Reagan Administration saw clear advantages for the U.S. in expanding trade with its largest partner. "Regionalism became a serious strategy, as opposed to a threat, with the conclusion of the Canada-U.S. free-trade area. This involved the two countries in the world that traded most with each other," explains Sidney Weintraub of the University of Texas. Canada is the largest export market for U.S. goods: it buys 22% of all American exports. The U.S. is an even greater influence in the Canadian economy: 70% of all Canadian exports go to the U.S. There were some concerns raised in the U.S. about the pact's effects on specific U.S. industries in close compe-

tition with the Canadians, such as energy and lumber. A number of these concerns were addressed by specific provisions in the pact. The U.S.-Canada agreement went further than traditional trade agreements in reducing restrictions on investment, services trade, financial institutions and government procurement.

After the Canadian agreement was signed in 1988, talk turned to a possible free-trade arrangement with Mexico. The U.S. had introduced the idea years before but the Mexican government had long opposed it, principally because it felt it infringed too greatly on Mexican sovereignty. But the Mexican economy was changing rapidly. Bolstered by an economic reform process and hoping to ensure access to the lucrative U.S. market, Mexican President Carlos Salinas de Gortari offered to open up negotiations with the U.S. in 1990. The Bush Administration responded favorably and later Canada was added to the negotiations to create a North American Free Trade Agreement (Nafta). Within two weeks of Mexico's announcement, President Bush went even further. He set a long-term goal of creating a free-trade area covering all of North and South America. The goal was part of an "Enterprise for the Americas Initiative" that sought to strengthen the economies of Latin America and the Caribbean through initiatives on trade, debt and investment.

Free trade with Canada, Mexico and possibly all of Latin America in the future marks a new direction for U.S. trade. It is a direction that raises new questions in the U.S., particularly regarding the effects of free trade with a country such as Mexico.

Early questions over Nafta

When the idea of a U.S.-Mexican agreement was first introduced, it sparked much more controversy in this country than did the earlier free-trade arrangement with Canada. Many questioned what the impact would be of integrating two such very different economies and societies. The U.S., Canada and Mexico differ sharply in terms of wages, living conditions and population. Average income in Mexico is only 11% of that in the U.S. Would more firms move to Mexico, taking with them American jobs? With increased competition between U.S. and Mexican workers, would the wages of U.S. workers be cut or would Mexican wages rise, or some of both?

There are differences in social and labor conditions as well. Many point out that lower-wage Mexicans work under poor and sometimes dangerous factory conditions, and there have been complaints that enforcement of existing health and safety standards has been lax. A U.S. Department of Labor study indicates that Mexican staffing and budgets for monitoring and enforcement of health and safety requirements, which include child and female labor laws, as well as minimum wage standards, may be inadequate. Human-rights organizations report that Mexican workers encounter difficulties in trying to organize unions that are not supported by the ruling government party.

Mexico and the U.S. have important political differences as well. Previous free-trade pacts have mostly been between democratic nations. In Mexico, one party has ruled for over 60 years, and there have been charges by the opposition of electoral fraud, corruption and human-rights abuses. Although there has been some movement toward political reform, questions have been raised about whether providing Mexico with free-trade benefits would remove important international pressure to make progress toward democracy. Moreover, would opening up trade with a less-than-fully-democratic nation raise special judicial or political problems?

Finally, the proximity of the U.S. to Mexico has raised another issue in trade relations—the environment. Environmental standards and enforcement are lower in Mexico. Could U.S. and Mexican products compete fairly if companies are able to pollute more in Mexico? Would polluting companies migrate to Mexico, increasing pollution in both countries?

The Bush Administration promised, in a letter to the U.S. Congress on May 1, 1991, to undertake specific measures for environmental protection, health and safety standards, worker rights, and adjustment assistance for workers affected by the trade pact. Thus, the Administration was promising from the outset that this would be a very different kind of free-trade agreement, that it would take into consideration a whole range of nontrade factors that affect the two countries. With the letter in hand, the Administration was able to get a majority in Congress to extend special "fast track" authority for the Mexican negotiations. Fast-track procedures mean that Congress promises ahead of time not to amend the treaty when negotiations are completed and to vote on the agreement quickly.

Prospects for ratification

The final step before Nafta becomes law is ratification by each of the three governments. For the U.S., this means that Congress must approve "implementing legislation" to put the agreement into force. Under the terms of the fast-track procedures, Congress may only vote yes or no on the agreement; it cannot make any changes. In the presidential campaign, both President George Bush and Arkansas Governor Bill Clinton supported the agreement, although Governor Clinton argued that some strengthening of Mexico's labor and environmental regulations was needed. He did not call for the renegotiation of the treaty but rather for the negotiation of separate "parallel" conditions.

The Mexican response has been generally receptive. Mexican economist Luis Rubio argues that "Mexicans

United States, Mexico and Canada: Selected Economic Indicators

Country	Population (millions)	1990 GNP per capita (dollars)	Av. Annual growth rate 1980-89	Av. annual rate of inflation 1980-89
United States	256	$21,700	1.9	4.0%
Canada	27	20,450	2.1	4.6
Mexico	88	2,490	0.9	73.0

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could hardly object to negotiating issues as important as the environment and labor standards. As long as those negotiations do not aim at creating new nontariff barriers, Mexicans would be the first to welcome proper agreement on these issues."

Nafta signals a strong regional direction in U.S. trade policy. Since the U.S. in the past has always given priority to multilateral trade negotiations, why the growing tendency toward regionalism? A leading Latin American analyst, Sidney Weintraub, cites a number of reasons. One is U.S. frustration with persistent trade deficits. Another is the growth of regionalism in Europe, with the EC moving toward full economic and political integration. And a third is dissatisfaction with the workings of the multilateral GATT system. "However," he writes, "regionalism need not be merely a negative reaction. It was seen in the U.S. as a way of making progress in a more limited geographic sphere and then seeking to widen this in multilateral negotiations." He adds that regionalism has another big advantage over multilateralism: countries may be willing to make more sweeping concessions than they would be willing to grant all countries. As M. Delal Baer, of the Center for Strategic and International Studies, wrote in *Foreign Affairs*, "The formation of liberal regional groupings may ultimately create more manageable negotiating units for GATT. The challenge will be to sustain the vigor of multilateralism, enabling it to coexist with regionalism."

Is the world dividing into trading blocs?

If you look around the world at the moment, you see all kinds of places where we are essentially breaking up into trading blocs.... Everybody in the world knows that this is happening, but nobody wants to face reality.

—Lester Thurow, MIT economist

THE POSSIBILITY that the world trading system is fragmenting conjures up for many people images of the 1930s, a time when inward-looking, protectionist policies led to a worldwide depression. Is Nafta evidence that the world is dividing up into trading blocs? Is this necessarily a good or a bad trend?

The best way to start answering these questions is to look at what a trading bloc is. It is an association of countries that reduces trade barriers or grants special preferences only to those in the group. The difference between the GATT system and trading blocs has been explained as follows: "Bloc members can practice discrimination in granting different preferences to various nations. The GATT system is open to all nations who are willing to follow certain basic rules, whereas a regional trading bloc may not be open to all who wish to joint and agree to follow the bloc's basic rules." Such regional free-trade agreements are allowed under GATT regulations as long as they do not result in greater trade barriers to other countries, the tariff reductions cover most trade, and they are carried out within a reasonable length of time.

In economic terms, a bloc can either be "trade creating," meaning that it expands the amount of trade going on by reducing trade barriers, even if it is only between a few countries, or "trade diverting," meaning it merely shifts trade from a more efficient producer outside the bloc to a less efficient producer within the bloc. If trade is diverted to less efficient suppliers, both bloc members and outside producers can suffer losses.

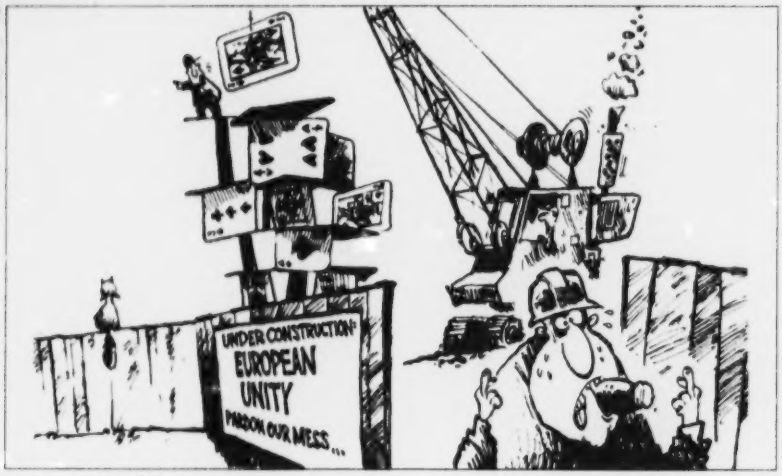
These days it seems that more and more world trade—possibly as much as two thirds—is conducted under regional preferential or free-trade arrangements. Rarely is there much concern over regional trade arrangements between small economies. What does raise questions is when trading blocs are created around the three biggest economies—the U.S. (a Western Hemisphere bloc), Europe (the EC bloc) and Japan (an East Asian bloc)—and when trade from other regions is hindered. Let us look at each of the regions in question.

The Western Hemisphere

Nafta will create a free-trade area of over 360 million people from the Yukon to the Yucatan, with a total GDP of nearly $6 trillion. Free trade in the region is not expected to end with North America. Most South and Central American countries have enthusiastically embraced President Bush's goal of creating a free-trade area throughout the Western Hemisphere—from Alaska to Tierra del Fuego.

In preparation, the Latin American countries have begun forming smaller free-trade areas among themselves. The Andean countries—Bolivia, Colombia, Ecuador, Peru and Venezuela—have created an "Andean Pact" uniting the economies of the north and west coasts of South America. The southern-most Latin American countries—Argentina, Brazil, Paraguay and Uruguay—have created a new trade pact, "Mercosur." The Central American countries are also developing plans for a free-trade area with Mexico by the end of 1996. Chile has signed individual free-trade agreements with Argentina and Mexico. The U.S. says the next candidate to join Nafta will be Chile, considered to be the furthest advanced in its economic reforms.

Will these agreements shut out other countries from the U.S. and Latin American markets? A March 1992 report from GATT on U.S. trade policy expresses concern over U.S. moves toward regionalism. The prime minister of Malaysia thinks both the U.S. and Europe are moving toward protectionist trade blocs: "To protect their high standards of living and high costs of production, they will want to exclude the competition posed by the countries of East Asia." Are the U.S. and Latin American countries likely to "divert" trade to the Western Hemisphere or keep other countries out? Jeffrey J. Schott, of the Institute for International Economics, does not see any evidence of this. He sees Nafta helping the three countries to become more competitive and export more to world markets, not closing the U.S. off. Columbia University economist Jagdish Bhagwati thinks that "It is not credible that the U.S. would divert its energies and trade to a region whose slow growth rates, fragile democracies, inflation, and debts offer a far less attractive market than the bur-



geoning Far East and EC." In a recent policy paper, President Bush, too, emphasized that the U.S. cannot be "tied down to one region."

Europe

Western Europe has the oldest and most extensive regional trading arrangement, which is different in nature and scale from the one currently envisioned for North America. Beginning in 1957, the European nations sought not only greater economic but also greater political integration. A stronger Western Europe was a boon to the entire Atlantic alliance. The creation of what was then called the European Economic Community (EEC) among six countries has since expanded to twelve nations, now called the European Community. The 12 are Belgium, Britain, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.

Their alliance goes beyond trade to include monetary relations, common labor policies and even the goal of greater political unity. Measures to remove all internal borders and form a single market are expected to be in place by January 1993. The Treaty on European Union, signed in December 1991 in Maastricht, the Netherlands, would transfer some national powers to the EC and would establish a single monetary system by the end of the decade. Member countries are in the process of ratifying the Maastricht accord.

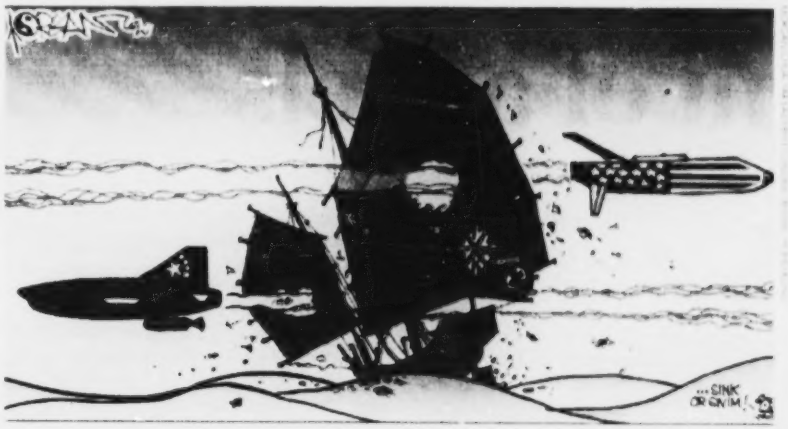
Once the Maastricht treaty has been approved, the EC will consider expanding its membership. Applications from Austria, Finland and Sweden are at the top of the list. They are currently members of the European Free Trade Association (EFTA), along with Iceland, Liechtenstein, Norway and Switzerland. EFTA was created in 1960 by countries that wanted the benefits of freer trade without the political coordination membership in the EC requires. An agreement creating a free-trade area between EFTA and the EC was signed in May 1992 and will take effect at the beginning of 1993.

Of the three major-power groups, a number of economists think the EC acts most like a trading bloc because its members conduct a high percentage of their trade among themselves. Trade within the EC is nearly 50% greater than its exports to the rest of the world, and these figures could increase as the unification process continues. Trade between the EC and EFTA countries is even higher, accounting for about 70% of those countries' trade. Nonetheless, analysts point out, Europe has not turned into "fortress Europe," raising protectionist barriers and keeping other countries out, as many feared it would. "After many years of alarms that the EC may systematically exclude American goods," *The New York Times* noted, "the fact remains that American exports to the community have more than doubled in the last six years, while imports from the community have risen only 27.3%."

East Asia

Japan and the East Asian nations do not have the formal economic and political institutions of the EC, nor do they have free-trade agreements similar to Nafta. Nonetheless, some policymakers are concerned that Asia could turn into a bloc. Japan has been particularly aggressive in investing in manufacturing plants and expanding intrafirm trade relations with Southeast Asian countries. A limited free-trade association of Southeast Asian nations (Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand) is expected to go into effect in January 1993.

At present, the principal arrangement for dealing with Asian trade issues is a loose policy forum called the Asian-Pacific Economic Cooperation (APEC), which includes 15 members bordering the Pacific, including the U.S., Canada, Japan, New Zealand and the Southeast Asian nations. The forum is becoming more formalized, and it opened a permanent secretariat in Singapore in the fall of 1992. Because it does not coordinate trade policies or adopt exclusionary trade preferences, and includes both Western and Eastern countries, this organization is not strictly speaking a bloc.



Do trade and investment trends indicate that Japan and Southeast Asia are, in fact, moving toward becoming a bloc? Some point to the Malaysian prime minister's 1989 call for an Asian trade group, which would include Japan but exclude the U.S., as a sign that Asia is moving in this direction. Officially, the Japanese government says it does not want to belong formally to an Asian economic and security bloc, although recently Japan backed the idea of an Asian trade bloc being put together by the Southeast Asian countries. A number of analysts believe that it would make little sense for Japan to promote the formation of a bloc: Japan does not want to alienate the U.S., its most important market, and probably does not want to be bound to countries whose principal interest in joining a bloc is probably to attract Japanese capital. Schott points out that Japanese trade with the East Asian countries has grown fast, but trade and investment with North America and Europe has grown even faster. Japanese trade with East Asian countries rose from 25% to 29% of Japan's total imports and exports during the 1980s, but trade with North America grew from 24% to 32%, and the EC share nearly doubled to 17%.

While there has been movement in many parts of the globe toward regional trading arrangements, it is not clear whether this is a positive or negative trend and whether the blocs contribute to opening up world trade or closing it off. Many economists who are influenced by Jacob Viner's writings of the 1950s see the trend toward regional trading blocs as "second best" to reductions in trade restrictions at the multilateral level. But second best may be better than nothing, if multilateral negotiations are not moving forward. "Over the long run, nondiscriminatory reductions in trade barriers are clearly preferable to discriminatory reductions. But should global negotiations fail, blocs that truly liberalized trade among themselves could improve the general welfare," writes Norman Fieleke in the *New England Economic Review*. Some economists feel that regional free-trade arrangements can be a stepping stone to opening up trade on an international basis.

What direction for U.S. trade policy?

THE CHANGES in the world economy over the last two decades have provoked a vigorous debate over the direction of U.S. trade policy. The question being asked today is not only what is the best trade and economic policy to increase jobs in the U.S. but what strategy will help bring good-paying jobs.

The Brookings Institution, a nonprofit "think tank" in Washington, D.C., asked a wide range of economists and public policy analysts what U.S. trade policy should be. Three distinct alternatives emerged: free trade, aggressive bilateralism and managed trade.

Free trade

Advocates of the traditional approach argue that the case for pursuing free trade is just as strong as it ever was. They acknowledge that there are some serious flaws in the current world trading system, but, they argue, the response is not to abandon the system but to strengthen it aggressively. Anne Krueger, an economics professor at Duke University, proposes that the U.S. make a bold move in the Uruguay Round to dismantle most, if not all, of the current nontariff barriers to trade and eliminate remaining tariffs in the industrialized countries. She argues that unless a country has a monopoly on trade, which the U.S. does not, it is always better to produce at home those goods that it makes the most efficiently and to purchase those goods in which other countries have a comparative advantage.

Free trade has other important benefits that are sometimes forgotten. For example, it "provides a competitive environment that induces greater economic and technical efficiency in domestic firms," according to Krueger. Not to push forward with free trade, supporters argue, would mean that the country would slip back into protectionist policies that have proven again and again to be extremely harmful to U.S. industries and consumers. Free-trade advocates often point to the high costs of protecting industries like steel and textiles. The cost to American consumers of current textile protection is estimated to be $27 billion annually, or $11,000 for every textile and apparel job protected and $270 for every American household.

Critics of the free-trade school see that policy as outmoded and no longer serving U.S. interests. Robert Kuttner, economics editor at *The New Republic*, believes the case for free trade is weakened because, in today's economy, resources matter less and knowledge matters more. Other nations use various interventionist policies to protect their high-tech or knowledge-intensive industries, and by not doing the same the U.S. is simply losing out. He maintains that the old arguments against protection are outdated because what countries are doing now is using new forms of protection to save dynamic, high-tech industries, not old, dying industries.

Aggressive bilateralism

Rudiger W. Dornbusch, a professor at the Massachusetts Institute of Technology, argues that the current GATT framework is being circumvented by trade-policy initiatives in Europe and Asia, so that pursuing free trade is simply no longer effective. He argues that the U.S. should make continued access to its market contingent on equal treatment for U.S. goods abroad through a policy of "aggressive bilateralism." "U.S. trade policy should aggressively seek freer trade, complementing the GATT process with bilateral initiatives." Dornbusch would take a different route than traditional free-traders. He sees his alternative as midway between free trade and managed trade. The U.S. acting alone or with other partners should seek to open Japanese and other markets. Representative Richard A. Gephardt (D-Mo.) proposed setting targets for specific reductions to get rid of bilateral imbalances in U.S.-Japanese trade. The Gephardt amendment was subsequently revised and a compromise version became the "Super 301" provision of the major trade bill passed by Congress in 1988. Under Super 301, the U.S. government identi-

fies the countries that impose the greatest barriers to U.S. exports and targets them for special negotiations.

As for new policy proposals, Dornbusch suggests the U.S. take the bold step of offering unrestricted free trade to the EC, which would help diffuse any tendencies toward an inward-looking European bloc. He also advocates offering a free-trade arrangement to the Pacific Rim countries, an area that is expected to be the most dynamic economically in the next 20 years.

Aggressive bilateralism has its critics. Robert Z. Lawrence of The Brookings Institution argues that the closed Japanese market is a problem, but that aggressive bilateralism would make it worse, not better, by diverting trade rather than opening up Japan. The Dornbusch approach, he argues, could lead to a proliferation of special rules with different partners that would be complicated for the U.S. to administer.

Managed trade

Managed-trade advocates think the U.S. needs to change both its trade and industrial policy. The U.S. must recognize that the ideal of free trade does not exist in today's world; governments are already pursuing policies contrary to free-trade rules to secure shares of the world market for key industries. As Laura D'Andrea Tyson at the University of California at Berkeley argues, managed trade—trade controlled, directed or administered by government policies—is already practiced in various forms by all governments. The question is, she argues, whether such trade can be managed deliberately and well, or haphazardly and poorly.

Tyson advocates that the U.S. pursue a managed-trade policy especially for high-technology products. Domestic high-technology industries benefit the rest of the economy by stimulating technological advances and productivity growth. Proponents of managed trade believe that failure of the U.S. to support its high-technology industries, while other countries like Japan are doing so, can do lasting damage to U.S. competitiveness. They argue that the U.S. needs to focus on securing a share of world employment and production in key industries. Tyson proposes new policies in a number of areas: industry-by-industry multilateral negotiations for new codes of conduct; more aggressive use of "antidumping" laws to combat foreign firms that price products below their cost in order to gain markets in the U.S. and then raise their prices once U.S. firms are wiped out; and negotiations with Japan and other countries to set targets for U.S. high-tech imports.

Opponents of managed trade argue that it will get the government in the business of picking winners and losers, and governments are inherently bad at doing this. They argue that market forces, not government bureaucrats, should be allowed to determine which industries remain in the U.S. If the U.S. is not competitive in high-technology products, then the U.S. should not produce them. One opponent argues that managed trade would lead to cartels, forcing U.S. consumers to pay higher prices.

In what direction do you think U.S. trade policy should go? What specific policy steps should be taken? Three major options are currently being discussed.

U.S. policy options

❑ Redouble efforts to pursue multilateral negotiations and proceed very cautiously on any regional trade agreements.

The Uruguay Round is simply too important to U.S. trade interests not to be completed. The U.S. must exert leadership to bring these talks to a successful conclusion, thereby opening up new markets for U.S. exporters in areas such as agriculture and services trade. The U.S. should guard against the breakup of the trading system into fragmented blocs if the Uruguay Round should fail; multilateral, not bilateral, arrangements must be the priority. While Nafta is a step forward for opening up trade on this continent, the U.S. should be careful not to give the impression that it plans to retreat in any way from the world economy or that it sees the opening of regional markets as any substitute for worldwide trade-opening measures.

❑ Take a more aggressive stance toward the trading practices of other nations and seek to open foreign markets on a bilateral basis if necessary.

Free trade is beneficial, but to be fair it must be practiced by all trading partners. The U.S. must accept that other countries are simply not "playing by the rules" and that U.S. companies and workers are paying the price. The U.S. must be more aggressive about opening closed foreign markets. The U.S. should not be afraid to take actions on its own without other multilateral partners. The multilateral system, which served the U.S. well in the early post-

'Buy American' as Easy as Apple Pie?

RECENTLY, a number of U.S. companies have been offering incentives to their employees to buy American automobiles. The Monsanto Chemical Company in St. Louis, Mo., is offering its employees cash bonuses. In Warren, Ohio, an ear surgeon, Dr. William Lippy, offered bonuses from $200 to $600 to any one of his 35 employees who bought a new or used American car. Bill Chartrand, who operates a gas station in southern Illinois, gives a two-cents-a-gallon discount to those driving an American car. These businesses hope that by providing rewards and incentives for buying American products, they will help U.S. industries, workers and the community.

But finding an American car to buy may not be as easy as it sounds. Today, brand names that sound true-blue American like Ford, Chrysler and Pontiac may actually be made, in whole or part, overseas. U.S. automakers have been going into business right and left with their foreign competitors. Every American carmaker now owns a stake in a Japanese or other foreign car company. Try your hand at guessing the country of origin by taking the test below.

Figuring out whether something is made in the U.S.A. is difficult not only in terms of cars but also for a whole range of products. After a member of the Japanese parliament called American workers lazy in January 1992, the town board of Greece, N.Y., reacted by rejecting the planned purchase of earth-moving equipment from the Komatsu Company and, instead, placed an order with John Deere Company of Indiana. What they found out days later, however, was that 95% of all Komatsu earth movers are made in the U.S.A., while the John Deere vehicles were made, can you guess? mostly in Japan.

Many people who would like to buy American say that sometimes they simply cannot find an American product. For example, there are no more American-made televisions, and major league baseballs are now all made in Haiti. Others feel that the true-American product is simply too expensive or may be inferior. One American consumer who bought a Sony stereo system said, "I just think it's up to the Americans to make it better. Why should I buy something that's not as good?"

Supporters of the "buy American" campaign think that if enough people join in, it will make a difference in keeping jobs in the U.S. Information on American-made products, they say, is available from organizations like the nonprofit Made in the U.S.A. Foundation. Opponents of "buy American" argue that it will not make much difference in the trade deficit or the number of jobs that stay in the U.S. "It doesn't matter any more whose flag is flying over corporate headquarters. What matters is where the best paying jobs are. That's what we should concentrate on. The bonuses companies are paying workers to buy American cars would be better spent training workers for higher-skilled jobs," says Robert B. Reich, a Harvard University economist and adviser to President-elect Clinton.

war years, has proven unable to adapt to the changing practices of more-aggressive competitors like Japan and the EC. If foreign governments do not allow U.S. products into their domestic markets, then these same products from foreign countries should not be allowed into the U.S.

❑ **Adopt a more concerted policy of managed trade and promoting important high-technology industries to make the U.S. more competitive in the 1990s.**

This country's top competitors, Japan and the EC, intervene in their economies to promote high-technology industries producing semiconductors, aerospace equipment and computers. If the U.S. sits back and does nothing, it will lose the most important industries of the future. High technology is critical to U.S. competitiveness in a whole range of industries, from consumer products to supercomputers. It is time for the U.S. government to recognize the realities of today's international marketplace and undertake specific trade and industrial policies to insure that these vital industries remain in the U.S.

The 'Buy American' True-False Test

You may be surprised by where "American" cars are made and where "foreign" cars are not.

	MADE IN:	TRUE	FALSE
1. Honda Accord Coupe	**Japan**	_____	_____
2. Chevrolet Lumina	**U.S.**	_____	_____
3. Mercury Capri	**Australia**	_____	_____
4. Dodge Stealth	**South Korea**	_____	_____
5. Mercury Tracer	**Mexico**	_____	_____
6. Plymouth Voyager (short wheelbase)	**Canada**	_____	_____
7. Pontiac LeMans	**Canada**	_____	_____

1. False: the Honda Accord Coupe is made in the U.S.
2. False: the Chevrolet Lumina is made in Canada
3. True: the Mercury Capri is made in Australia
4. False: the Dodge Stealth is made in Japan
5. True: the Mercury Tracer is made in Mexico
6. True: the Plymouth Voyager (short wheelbase) is made in Canada
7. False: the Pontiac LeMans is made in South Korea

Data from The Buy American Quiz with the article "Growing Movement to 'Buy American' Debates the Term," by Jacqueline Mitchell, *The Wall Street Journal*, January 24, 1992.

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DISCUSSION QUESTIONS

1. The U.S. has just signed a free-trade agreement with Mexico and Canada. Should the U.S. now establish free trade with all of Latin America? How would this affect U.S. trade relations with other regions and world trade in general?

2. Some analysts fear that the world is dividing into regional trading blocs that could fragment the world trading system and close off trade. Should the U.S. fear a "fortress Europe" or a new Japanese trading bloc in Asia? Should Europe or Japan fear Nafta?

3. If you were buying a car, would you buy only an American car?

4. Should U.S. companies be allowed to move plants and American jobs freely to other countries or should laws be put into effect to stop them?

5. Under the U.S. free-trade agreement with Mexico, should the U.S. expect Mexico to adhere to U.S. environmental standards? Should the U.S. lower its own standards? Should the U.S. make concessions to offset Mexico's costs for adopting and enforcing tougher environmental standards?

6. The U.S. has long been an advocate of a free-trade system, in the belief that it keeps its products competitive and ensures that Americans get the best goods for the lowest prices. Critics complain that other countries, particularly Japan, are not practicing free trade. Should the U.S. change its trading practices? Favor key industries by keeping out certain products? Protect U.S. workers? Force Japan to open its markets?

7. Recently, because of poor economic performance, real U.S. average wages and income have declined. Do you expect to do better economically than your parents? Should Americans expect an improvement in living standards? If not, what should be done about it?

8. If it would hurt American farmers or factory workers, would you favor imposing economic sanctions against China? Iraq? Yugoslavia?

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CONSUMERS FOR WORLD TRADE, 1726 M St., NW, Suite 1101, Washington, D.C. 20036; (202) 785-4835. ■ A national, nonprofit organization established in 1978 to organize opposition to protectionist trade policies. CWT supports trade expansion, both imports and exports, and trade liberalization. CWT publishes monthly and quarterly newsletters and pamphlets; holds conferences throughout the U.S.; and is engaged in legislative activities.

ECONOMICS AMERICA, National Council on Economic Education, 432 Park Ave. S., New York, N.Y. 10016; (212) 685-5499. ■ A partnership of education, business and labor, the national council trains teachers in economics, develops curriculum and produces materials for K–12. For catalogue, call (800) 338-1192 or Fax (212) 213-2872.

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U.S. CHAMBER OF COMMERCE, 1615 H St., NW, Washington, D.C. 20062; (202) 463-5460. ■ The Chamber of Commerce administers 10 bilateral business councils, forums for private sector to help shape bilateral trade relations; it helps shape legislative policies on trade issues; and it offers a variety of publications to assist U.S. companies in competing around the globe. To order, write the International Division/Publications.

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U.S. INTERNATIONAL TRADE COMMISSION, 500 E St., SW, Washington, D.C. 20436; Public Affairs (202) 205-1819. ■ Originally the U.S. Tariff Commission, USITC is an independent, bipartisan, quasijudicial agency that acts as a focal point in government for collecting public and private sector views on international trade issues.

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TOPIC 5 Trade

ISSUE A. *With regard to the North American free-trade agreement with Mexico, the U.S. should:*

	YES	NO
a. Support the agreement unconditionally.	☐	☐
b. Condition support on Mexico's enforcement of environmental laws.	☐	☐
c. Condition support on Mexco's protection of human rights.	☐	☐
d. Condition support on Mexico's holding of free, fair elections.	☐	☐
e. Break off negotiations.	☐	☐

Other, or comment _____

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First three digits of your zip code: ___ ___ ___

Date: / /1993 *Ballot continues on reverse side...*

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Other, or comment _____

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First three digits of your zip code: ___ ___ ___

Date: / /1993 *Ballot continues on reverse side...*

TOPIC 6 Russia and the Central Asian Republics

ISSUE A. *In its policy toward Russia, the U.S. should:*

	Agree	Agree with reservations	Disagree with reservations	Disagree
a. Support Russia as the "first among equals" of the successor-states of the former Soviet Union.	☐	☐	☐	☐
b. Avoid placing primary emphasis on relations with Russia at the expense of the other successor-states.	☐	☐	☐	☐
c. Pay attention to other U.S. concerns now that the cold war is over and let Russia take care of itself.	☐	☐	☐	☐

Other, or comment _____

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Other, or comment _____

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First three digits of your zip code: ___ ___ ___

Date: / /1993 *Ballot continues on reverse side...*

OPINION BALLOTS

ISSUE B. *What trade policy is in the best interest of the U.S.?*

	AGREE	DISAGREE	NO OPINION
a. Redouble efforts to bring multilateral negotiations to a successful conclusion and proceed cautiously on regional trade agreements.	❑	❑	❑
b. Give priority to developing a Western Hemisphere free-trade association.	❑	❑	❑
c. Insist that trading partners "play by the rules," penalizing those that do not, and negotiate bilateral agreements if necessary to open foreign markets.	❑	❑	❑
d. Adopt a policy of managed trade, promoting important high-technology industries to make the U.S. more competitive.	❑	❑	❑

Other, or comment _____

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Other, or comment _____

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ISSUE B. *In its policy toward the Central Asian republics, the U.S. should:*

	Agree	Agree with reservations	Disagree with reservations	Disagree
a. Cultivate relations by extending economic aid and technical assistance to alleviate poverty.	❑	❑	❑	❑
b. Recognize that its own influence is limited and continue to provide primarily technology, training and skills in agriculture and irrigation.	❑	❑	❑	❑
c. Rely on friends, such as Turkey, that have cultural and geographic ties to the region, to promote U.S. interests.	❑	❑	❑	❑
d. Make a long-term commitment to assisting Central Asia's development through dialogue with its governments and assistance and exchange programs.	❑	❑	❑	❑

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Other, or comment _____

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Russia and the Central Asian republics: after independence, new directions?

Freedom has brought economic hardship and tough political problems to the former Soviet Union. Can the U.S. help resolve them?

by Ronald J. Bee

LUXURIES LIKE PEPSI COLA *or a child's model tank are too expensive for most Russians, including this boy walking through a Moscow street market.*

On June 17, 1992, Russian President Boris N. Yeltsin brought a joint session of the U.S. Congress to its feet when he vowed that his country would not return to communism. He spoke of World War II when the Soviet Union, fighting the Nazis on the eastern front, sought and eventually received American help in opening a second front. "If today," Yeltsin argued, "like during that war, a second, peaceful front could be opened to promote democratic market reforms, their success would be guaranteed earlier." While Yeltsin's speech received a standing ovation, the Russian president would have preferred to go home with more money than applause.

Most experts believe substantial foreign assistance remains the key to the post-Soviet transformation, but how much and on what basis remains a matter of debate. For 1992, the U.S. and the other nations of the West promised $24 billion to Russia, contingent on proof of democratic and economic reforms. Humanitarian aid and technical and emergency assistance are being delivered, but much Western aid—especially from the International Monetary Fund (IMF) and the World Bank—has been slowed because of delays in carrying out reforms.

To complicate matters, the U.S. must now deal with 15 nations where there formerly was one. Eleven of the new states formed a Commonwealth of Independent States (CIS) in December 1991. The Baltic states of Estonia, Latvia and Lithuania, proudly independent, chose not to join. Georgia, beset with civil strife, has no interest in joining. Most experts believe that the CIS is likely to fragment over time. For example, Azerbaijan announced in September 1992 its intention to leave.

There are difficult transformations under way in two important regions of the former Soviet empire: the Russian Federation and the five Central Asian republics of Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan and Tajikistan. Compared to Central Asia, Russia has received far more attention because of its size, military strength and overall influence in East-West relations. However, the newly independent Central Asian states are now at an important geographic and political crossroads and deserve closer scrutiny.

Russia, by far the largest of the former Soviet republics, is a multiethnic federation of over 100 nationalities and 150 million inhabitants. Ethnic Russians constitute some 82% of the population. Some 25 million Russians still live outside Russia and are now minorities in countries where they once dominated. Russia is grappling with economic chaos, deepening divisions over the pace and extent of reform, increasing ethnic violence, and uncertainty about its role in international affairs.

The five new nations in Central Asia comprise a region the size of India, with some 50 million people linked by ties of proximity, shared historical experience, Muslim culture, and (except for Persian-speaking Tajiks) the Turkic language. About 40 million are of Muslim origin. Nearly 10 million Russians live in this region, the majority in northern Kazakhstan. Since the Soviet breakup, Central Asians have been reasserting their ethnic and religious identities. Seeking to become less dependent on Russia but troubled by the weakest economies of the

Requiem for an Empire

EARLY IN THE MORNING of August 19, 1991, Uri Usachev received an unexpected and disturbing wake-up call. An anxious friend informed him that Communist hard-liners had seized power from Soviet President Mikhail S. Gorbachev, that democratic political parties had been banned, and that the "free press" was no longer free. Usachev, the Moscow representative for Eastview Publications, a Minneapolis-based publishing firm, quickly put his family on a train to Poland with stern instructions: "If I call you and say 'Go to Krakow' you should never return to this country."

Usachev felt humiliation when on the way to the railway station he saw tanks and armored personnel carriers taking up positions in his neighborhood. In effect, an eight-man junta, "The State Committee for the State of the Emergency in the U.S.S.R.," was deploying forces against Russians like him who had embraced the last six years of reform under Gorbachev. "At that moment," he recalled, "I understood why Hungarians, Czechs, and Georgians hated us," referring to the respective Soviet interventions of 1956, 1968, and 1989 that quashed budding reforms.

Compelled to act, Usachev joined others in defending the Russian parliament building, also known as the Russian White House. When Usachev decided to resist the *coup d'état*, he did not foresee that three days later the coup's failure would precipitate the collapse of Soviet communism and the breakup of the U.S.S.R. From 1985 to 1991, Gorbachev's policy of *glasnost* (openness) had sought to empower Soviet citizens with a stake in seeing their own system succeed. By opening Soviet society, relaxing state secrecy, and allowing the news media to freely criticize, individuals began discussing public policy and taking stands on political and economic issues. In August 1991, thousands took to the streets in Moscow and Leningrad to take a stand against a coup that threatened to turn back the clock of reform.

Yeltsin, the first popularly elected Russian president, stood atop a tank and pleaded with soldiers "not to shoot their mothers." The troops chose not to fire—and as a result, Uri Usachev's family did not leave for Krakow.

(Based on correspondence with the author.)

former U.S.S.R., the five new states have sought economic ties to the nearby Muslim nations of Turkey, Iran and Pakistan. A worsening civil war in Tajikistan threatens regional stability since it may divert meager Central Asian resources from developing the nations' fledgling independence.

U.S. stakes and dilemmas

For the U.S., the collapse of the Soviet Union ended a more than 40-year rivalry and left America as the sole global superpower. The Soviet demise has also raised questions about the future U.S. role in the world and, in particular, about how to balance U.S. domestic and international priorities now that the cold war is over. President George Bush's main vehicle for aid to the former Soviet republics, the Freedom Support Act of 1992, encountered stiff resistance from members of Congress before it was enacted in October 1992. Many recoiled from voting for foreign aid when the U.S. faces important domestic problems. On August 13, 1992, presidential candidate Arkansas Governor Bill Clinton argued before the Los Angeles World Affairs Council that the U.S. must "continue to... aid the former Soviet Union in making its transformation to democracy...but it is a tougher sell in a weaker economy and there are limits in what you can do." As President, Clinton will have to start determining those limits.

The U.S. spent trillions of dollars during the cold war to deter war between the superpowers, resist Soviet expansion and promote democratic principles. With the end of the cold war, how can the U.S. best protect this long-standing investment? Should democratic reforms fail and an authoritarian government take power in Russia, the leadership will have at its disposal the largest army in Europe as well as intercontinental ballistic nuclear missiles capable of reaching the U.S., let alone Europe and Asia. Instability in Russia threatens the stability of the entire Eurasian periphery, including Eastern Europe.

Russia will thus play a major role in determining the future national security environment in Europe, the Middle East and Asia. Russia's cooperation will be essential in implementing arms-control agreements and preventing nuclear proliferation. Developments in Russia will ultimately affect the U.S. defense budget, the future of the North Atlantic Treaty Organization (NATO), the pace of U.S. defense conversion, and the U.S. budget deficit.

After decades of cultural and economic coercion, Central Asians do not trust Russia and fear it will find new ways to reassert its will and interests in the region. Martha Brill Olcott, political scientist and expert on Central Asia, has noted, "The colonizer and the colonized must separate on terms beneficial to both. Only then can they be expected to live alongside each other in peace." Achieving this goal, however, may be harder than foreseen, given Central Asia's economic, political and military dependence on Russia.

What steps must the U.S. take to promote stability, arms control and economic and political reform in both Russia and Central Asia?

The rise of Russia

On August 19, 1991, Communist hard-liners seized power from Soviet President Mikhail S. Gorbachev. The coup collapsed in the face of a divided military, stiffened popular resistance and strong international condemnation. The period that followed witnessed the most crucial transformation of what is now called the former Soviet Union. At a pace that became as dizzying to the Soviet people as to Western experts, most of the results of the Russian Revolution of 1917 were repudiated: the existence and unlimited power of the Communist party, the omnipresent weight of the Red Army, the watchful eye of the KGB (the secret police), the socialist system of property ownership, and the rejection of the free-enterprise model.

The abortive coup hastened the disintegration of the Soviet empire. The Baltic states gained full independence on September 6, 1991. The Soviet death certificate was ultimately signed on December 1 when Ukraine, by a vote of over 90%, chose national independence. Ukraine's rich farmland, heavy industry and 53 million people remained pivotal to any dwindling

hopes for retaining the U.S.S.R. as a national entity.

On December 8, after meeting for two days in a hunting lodge in Brest, Belarus, the presidents of Russia, Ukraine and Belarus proclaimed the creation of the CIS, asserting that "the U.S.S.R., as a subject of international law and geopolitical reality, is ceasing its existence." Other republics joined on December 21 at a meeting at Alma-Ata, capital of Kazakhstan. By the end of December, the CIS had expanded to include Armenia, Azerbaijan, Moldova and the five Central Asian republics. On Christmas Day 1991, Gorbachev resigned, handing over the reins and his office to the Russian Federation. His desk nameplate had already been replaced with "Yeltsin, Boris Nikolayevich."

"The CIS," quipped *The Economist* (London), "is neither very common (its members argue all the time) nor very wealthy." Without a central government, it serves mostly as a forum for coordinating military, economic and minority-rights policies. Despite some hopes to the contrary, most observers contend that the CIS has merely provided a transitional framework for "civilized divorce."

The Russian Federation has emerged from the ashes of the U.S.S.R. with a newfound prominence. By virtue of its size (twice that of the U.S.), its population (50% of the former U.S.S.R.), its vast resources, industrial base and military assets, as well as the central role it played in ending the Soviet empire, Russia claims to be and is widely regarded as the principal successor to the Soviet Union. As Dimitri K. Simes, Russian expert at the Carnegie Endowment for International Peace, has asserted, "Russia's continuing commitment to democracy and to a nonimperial foreign policy is a precondition for the freedom and prosperity of other commonwealth members."

Reforms face daunting challenges

YELTSIN'S GOVERNMENT remains committed to radical reforms, despite growing opposition in the Russian Congress of People's Deputies. Established by elections held in March 1990, the congress has broad powers, including the authority to change the constitution. Yeltsin convinced the Congress of People's Deputies in November 1991 to grant him special decree powers for one year, together with the right to form his own government without parliament's consent. Yeltsin picked a team committed to radical economic reform, entrusting its implementation to his acting prime minister, the 36-year-old economist Yegor T. Gaidar. On December 9, 1992, the congress rejected Yeltsin's choice of Gaidar as prime minister. Although Gaidar was to remain acting prime minister until the spring of 1993, Yeltsin aides conceded that the vote would make it more difficult for the government to push through its increasingly unpopular economic program.

When he first took office, Yeltsin adopted "shock therapy," a set of short-term policies designed to create a free market and achieve economic stability. The measures include liberalizing prices for goods; restraining wage increases and income in order to reduce inflation and make the economy more competitive internationally; reducing government subsidies, entitlements and defense spending; raising taxes to cut the budget deficit; restricting bank credit and the money supply; and opening the economy to the world market by establishing a convertible ruble and eventually a stable exchange rate.

The shock of shock therapy

While Yeltsin's liberalization of prices and stringent fiscal policies helped avoid financial collapse, they also imposed heavy sacrifices on the Russian people. Prices soared, hurting almost everyone, but especially those with fixed incomes. The Moscow-based Center for Marketing Research reported in October 1992 that over the last two years 8 out of 10 Russians have become poorer, with their average purchasing power just 42% of what it was in 1990. Government surveys also indicate that the average Russian family spends 75% to 80% of its income on food.

Moreover, by reducing military spending and cutting subsidies to unprofitable industries, unemployment figures will rise. By some estimates, the mammoth Soviet defense industry accounted for between 60% and 80% of the entire economy, and employed over 11 million people who provided for millions of dependents. In Russia, where jobs were once guaranteed, unemployment is a new and thorny problem.

Such impoverishment has already led to a dramatic rise in the crime rate and a thriving black market. As *Newsweek* noted in an article tracing the growth of Russian organized crime, "In today's Russia, *perestroika* [economic restructuring] and *prestupnost* (crime) have gotten mixed up in the same package....When Western visitors see bustling commerce, they tend to see entrepreneurs. Russians see the mob."

In farmers' markets, sellers far outnumber buyers. While the availability of food has improved, the prices are beyond the reach of the average Russian. In Moscow, a shopping bag of rubles is needed to pay for dinner in a good restaurant. The inflation rate is

now approaching 1,500%, and as a result, Russians seek dollars and other hard currencies. Simes has remarked, "Today, Russians ask not what they can do for their country, but rather ask what can you do for me, and preferably in hard currency."

Since the Soviet breakup, the state of health and the quality of health care have dropped sharply because of crippling shortages of drugs and medical equipment. Hepatitis, tuberculosis and a variety of viruses are on the rise. Areas dependent on Russia for supplies are particularly hard hit. *The Los Angeles Times* interviewed a nurse in Kazakhstan who lamented, "We have absolutely nothing in our supply cabinet. We have no antibiotics, no analgesics, no vaccines, no blood—we don't even have bandages." Because of reduced supplies, hospitals across Central Asia have put off all nonemergency operations. Surgery is conducted without anesthesia.

Counterreformation?

While the Yeltsin-Gaidar shock therapy has not yet improved the living conditions of most Russians, it has largely shocked them into believing that the reforms are responsible for making their lives miserable. Beyond a small fraction of the population—a small entrepreneurial class and urban intelligentsia—Yeltsin has not been able to generate broad-based domestic support for his program.

Yeltsin now finds his government caught between parliamentary opponents to his radical reform and the advice of economists and many in the West, who condition financial assistance on Russia staying the course. The problem is that Yeltsin seeks to build a market economy in a country where Communist ideology and institutions are still an overwhelming presence. In Russia and other former Soviet republics, leaders are trying to build capitalist democracies from scratch, with scant experience in either capitalism or democracy. To keep their countries running, they have had to rely on many apparatchiks who ran the Communist system and who now resist reforms that dilute their power.

In effect, the opponents of reform in the Russian parliament now have a majority. One group, Civic Union, calls for gradualism instead of shock therapy. It claims to represent 70% of Russia's state-enterprise managers, including those in the military-industrial complex. It advocates more attention to raising the living standards of the population, ensuring employment and easing the financial burdens of industry and agriculture. Civic Union has backed heavy subsidies to keep outmoded factories and other industrial dinosaurs afloat.

A second faction, the liberal reformers, calls for comprehensive reform but with different priorities and sequencing. They call for a more balanced emphasis on employment, production and price stability. Their membership includes economists from the pre-Yeltsin era, many of whom supported plans embraced by Gorbachev.

The third and most disquieting group, the Russian National Council, contends that the Soviet breakup was a mistake and that Yeltsin should be held responsible for it. This group is the most pro-nationalist force and seeks to return to an industrial policy akin to the old system. Its members complain about Russia's "loss of empire" and advocate "protecting" the security of the 25 million Russians living outside Russia. Many of the national council's adherents come from the former Soviet military and the KGB, individuals who long for the stability, law and order and benefits they enjoyed under the past regime.

Gaidar rejection

Parliamentary opposition threatens Yeltsin's presidential rule. Yeltsin asked for an extension of decree powers until the spring of 1993, when, he hoped, the positive effects of his reforms would be evident. The congress, however, grew impatient because of the collapsing economy and growing chauvinist sentiments. In late October 1992, Yeltsin banned the National Salvation Front, a hard-line group of former Communists and nationalists, declaring it a threat to the Russian constitution. This parliamentary group defied Yeltsin's ban, pushed its way into parliament to hold a press conference, and vowed to remove Yeltsin from office.

Yeltsin, at the very least, is expected to make compromises with the Civic Union, which has proposed slowing the government's shock-therapy program. In December 1992 the parliamentary rejection of Gaidar's nomination as prime minister prompted Yeltsin to call for a nationwide referendum to let the Russian people choose between his policies and those of his critics in the Congress of People's Deputies.

As Marshall I. Goldman, an expert at the Harvard University Russian Research Center, has remarked, "Yeltsin's reformers did not fully appreciate the type of political challenge they faced." The U.S. government has expressed concern. In October 1992, at the Tokyo Conference on Assistance to the New Independent States, U.S. Acting Secretary of State Lawrence S. Eagleburger warned, "we cannot help those who are unwilling to help themselves."

Other observers warn that Yeltsin may also make compromises to nationalist forces to stay in power, moves that will further threaten Western aid. In late October 1992, Yeltsin announced he would delay indefinitely the pullout of Russian troops from Latvia and Estonia until they signed agreements providing "social guarantees" for Russians still living there. This decision may imperil some $417 million in U.S. aid to Russia, since the Freedom Support Act of 1992 stipulates "substantial progress" must be made toward completing a timetable for the withdrawal of Russian troops from the Baltics.

Will the empire strike back?

"Whatever his own inclinations, Yeltsin, as president of Russia, cannot ultimately avoid being a Russian nationalist," according to Vladimir Petrov, professor at George Washington University. Aside from international fundraising efforts, Yeltsin has not yet defined Russia's role in the world.

A key indicator of Russian foreign policy development will be how Moscow treats its immediate neighbors who have Russians on their soil. Only Ukraine, Kazakhstan and Lithuania have granted Russians full citizenship. In many republics, especially in the Baltics and Central Asia, the Russian language has been replaced in education and government. Hundreds of thousands of Russians have returned home, while those who stay abroad look to Moscow for help in protecting their rights.

So far the Yeltsin government has avoided forceful military intervention on behalf of Russian minorities, de-

spite increasing calls-to-arms from the nationalists in parliament. Interviewed by *Time* magazine in October 1992, Eduard Shevardnadze, now leader of Georgia, warned, "Yeltsin is in great difficulty...and the dark forces are becoming stronger."

If the Yeltsin government falls, the Russian empire may be tempted to strike back. As Paul Goble, former special adviser at the State Department, has warned, "The Russians of the periphery include representatives of some of the most virulent strains of Russian nationalism and thus could destabilize Russia itself."

Some of the more volatile areas include Moldova, where a self-proclaimed ethnic Russian "Trans-Dniester Republic" is fighting Moldovan authorities with the help of the Soviet 14th army; the Crimea, Ukraine, where tensions with Russia remain high over dividing up the Black Sea fleet and the Crimean peninsula; Estonia and Latvia, where Yeltsin suspended the withdrawal of the remaining 50,000 Russian troops to guarantee rights for large Russian minorities who live there; and the Ossetia region of Georgia, where separatists hope to split off from Georgia and seek protection from the Russian Federation.

There would be two major consequences of Russian intervention: greater hostility toward Russians living outside Russia; and a defeat for Yeltsin's reform program, since an imperial Russia cannot be a democratic Russia. The U.S. and the West may only possess the leverage of financial assistance to encourage Russia to respect existing borders.

Central Asia: from Marx to Mecca

In 1901, Rudyard Kipling immortalized the 19th-century contest for power between the expanding British and Russian empires on the steppes and deserts of Central Asia as "the Great Game." During this match the Russians pushed southward conquering nomads and tribes in their wake. Some 90 years later, armchair strategists ponder a new version of the Great Game. The Islamic players of Turkey, Pakistan, Iran and Saudi Arabia vie for influence with aid, trade and copies of the Koran. Western Europe, Japan, South Korea and the U.S. also seek to trade and develop oil and mineral resources, while promoting democratic reforms and regional stability. This time, however, the Central Asians themselves are key players who now seek to develop their own independent nations.

One Uzbek historian, Hamid Ziyaev, has referred to the process as "breaking the bars of the cage," cracking a cell built first by czars and then reinforced by Soviets. In Alma-Ata, the major avenue, Gorky Street, has been renamed Jibek Joly, Kazakh for "The Great Silk Road," to honor the famous ancient trade route traveled by Marco Polo. For Central Asians, the Silk Road represents a proud memory of a time when Turkestan stood at the crossroads of world trade and Islamic civilization.

Central Asia as a whole was called Turkestan (Land of the Turks) until the 1920s when Soviet leader Joseph Stalin targeted the region for "Sovietization." Communist policies shunned religion, closed mosques and eventually replaced the Arabic script with Russian Cyrillic script. Following a strategy of divide and conquer, Stalin arbitrarily carved Kazakhstan, Kirghizia (now Kyrgyzstan), Uzbekistan, Turkmenistan and Tajikistan out of a vast territory where borders had little meaning. Nationality became defined by geography in a region with strong ethnic and cultural ties to Turkey, China, Pakistan, Afghanistan and Iran.

Decolonization

According to James Rupert, assistant foreign editor at *The Washington Post* who spent last year in the region, Central Asian leaders are now facing typical processes of decolonization and nation-building: "They must define cultural and political identities scrambled by colonial power; choose among Islamic and Western models of government they poorly understand; and manage internal conflicts once arbitrated by an outside ruler. They must especially meet the basic needs and rising expectations of impoverished, expanding populations." In brief, Central Asia must find a way to cast off the Soviet colonial shadow imposed upon it for nearly seven decades.

During the Soviet period, Central Asia became almost totally dependent on Moscow—militarily, economically, politically and diplomatically. The five states did—and still do—rely heavily on Moscow for their transportation and communication systems, including mail, telephone and telegraph links, most international travel and the security of their borders. Moscow, in turn, generally regarded Central Asia as an undifferentiated whole: underdeveloped, loosely controlled by the Communist party, and potentially threaten-

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ing because its rapidly growing population could prove fertile ground for a resurgent Islam. Soviet Central Asia provided a bounty of raw materials for the rest of the U.S.S.R.: oil and gas, rare and precious metals and cotton were shipped to the industrial complexes of European Russia for refinishing or manufacturing purposes. Kazakhstan also served as a site for Stalin's labor camps, prisons and nuclear-weapons tests.

In implicit exchange for accepting the Kremlin's paternal conditions, local chieftains throughout Central Asia, acting under the guise of the Communist party, operated profitable schemes for themselves and their networks of privileged followers. Subsidies, food, fuel, consumer goods and cultural autonomy were awarded for good performance. As long as communism was not challenged, and the raw materials kept flowing, corruption was ignored. Even though economic conditions further deteriorated under communism, Communists did not lose their grip on Central Asia.

Building independence

It will be a long and difficult journey for Central Asia to wean itself from dependence on Russia. The subsidies and goods from Moscow have now stopped. The key resource in the area, water, which flows from the Himalayan mountains to the Aral sea, has been drying up due to drought, poor water management and too much irrigation. Lack of water for irrigation means declining farm output to feed a population that is expected to double in the next two decades. Central Asia's population is the poorest in the former Soviet Union. Sixty percent or more of the population is rural.

Scarce water resources, high population growth and the lack of a diversified economy are challenges that face all the Central Asian states. Officials from Turkey, Iran and Pakistan have visited the capitals of Central Asia to explore economic, political and cultural ties. Saudi Arabia has spent millions of dollars to rebuild mosques throughout the area and to pay for Central Asians to visit Mecca during the annual pilgrimage known as the *hajj*.

Turkey, with its mix of moderate Islam and a Western economy, appears to have a leg up in the region. Turkish

OFFICIAL ATHEISM IS AT AN END *in Central Asia, where Muslims such as these Tajiks in Dushanbe are now free to practice their religion openly.*

Prime Minister Suleyman Demirel has promised $1.2 billion in food aid, credits and export guarantees. He further proposes to build oil pipelines from Kazakhstan and Uzbekistan and a gas line from Turkmenistan that will reach Turkey under the Caspian sea. Turkey is beaming television via satellite to 98% of viewers in Central Asia with antennas. All programming is in Turkish, and in another two years, Turkish satellites will provide direct links to the West for telecommunications, most of which are now routed through Moscow.

Turkey believes it can offer Central Asia the "carrot" of integration into Western institutions as well as its moral commitment, based upon shared ancestry, language and religion. The U.S. and Western Europe generally applaud the growing involvement of their NATO ally, because it is the world's only democratic, secular Muslim state, a model for economic modernization, and a preferable alternative to Iranian fundamentalism. Turkey, for its part, not only sees markets for its goods but also political capital as it seeks entrance into the European Community.

In May 1992, Turks, Iranians and Pakistanis met with Central Asian leaders in Ashgabat, Turkmenistan. The summit stemmed in part from Central Asian frustration with the CIS bickering over economic matters and in part from a need to seek alternative economic and cultural partnerships abroad. The leaders approved the construction of a new railway that will follow the route of the ancient Silk Road.

Emerging U.S. issues

The U.S. government has paid particular attention to the "northern zone" republics of Kazakhstan and Kyrgyzstan that the Administration felt were following policies of democratization, respect for human rights and recognition of existing borders. The northern zone has more Russian settlers than the south and is populated by nomadic peoples who settled there relatively recently. The south has had settled urban and rural societies for centuries. National identity, though weak throughout the region, is relatively stronger in the south, as is the commitment to Islam.

Kazakhstan, with the second largest population in Central Asia after Uzbekistan, agreed to transfer all its nuclear weapons to Russia for destruction and to sign the Nuclear Nonproliferation Treaty of 1968 (NPT) as a nonweapons state. Following these steps, Kazakhstan's relations with the U.S. warmed considerably. Kazakh President Nursultan A. Nazarbayev paid a state visit to Washington in May 1992 and signed a most-favored-nation (MFN) agreement, an Overseas Private Investment Corporation (OPIC) agreement to make available investment insurance for U.S. firms operating in Kazakhstan, and a bilateral investment treaty. The Kazakh government also signed a landmark agreement with Chevron Corporation to open its Tengiz oil fields at a cost of $20 billion over the next 40 years. Chevron will hold a 50% interest. Kazakhstan, however, will receive 80% of the income, after Chevron pays taxes and royalties on its share.

Kyrgyzstan: Kyrgyzstan's leader, Askar Akayev, a scientist and teacher, has gone further than any other Central Asian leader to reform his government along democratic and market-oriented principles. This nation of 4.3 million people is considered to be the most important model for democratic state development in the region.

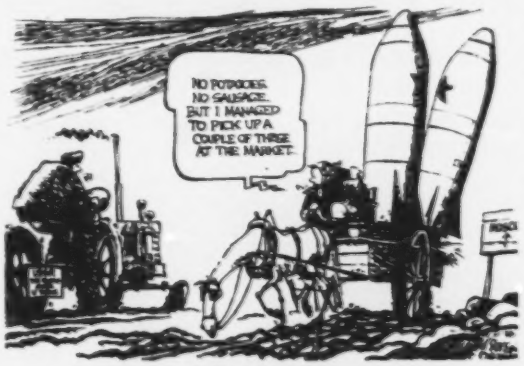
Kyrgyzstan's most troubled area, the Osh region, is on the eastern edge of the fertile Fergana valley. Major ethnic conflicts have broken out there between Kyrgyz and Uzbek inhabitants. Some consider it the most explo-

sive region in Central Asia because of its ethnic mix, poverty and high unemployment. Along the border with Tajikistan, periodic clashes take place between Kyrgyz and Tajiks over water.

Uzbekistan: Seen by many as the key to Central Asia's stability, Uzbekistan with 20 million inhabitants, is the most populous of the five republics. Most of the turbulent Fergana valley lies in Uzbekistan. In February 1992, Uzbek President Islam A. Karimov called for a Central Asian economic union, but the other four republics, fearful of Uzbek dominance, have been reluctant to join. Karimov's brand of authoritarian political rule has been termed "national communism." While Karimov prefers to follow the Turkish economic and secular model, he has not always accepted economic liberalization. Thus far, privatization of land and business has been minimal. Cotton, oil and minerals could attract future American and Western economic interests.

Turkmenistan: Turkmenistan has made minimal progress toward democracy and free markets. Poor and traditional, Turkmenistan has 3.5 million citizens. The country remains heavily dependent on Russian bureaucrats, ex-Soviet troops and military installations for its existence. Turkmenistan's leader, Saparmurad Niyazov, an ex-Communist who brooks little opposition, now chairs the Democratic party of Turkmenistan (originally the Communist party).

However, Turkmenistan's considerable gas resources give it an advantage for quick economic development that might reduce poverty and promote the stability needed for political change. Although Iran has offered to finance a natural gas pipeline to Turkey, Turkmenistan might also welcome American firms, since it distrusts Iran. Iran's relations with its own Turkmen minority are difficult, and few Turkmen see Iran's theocratic regime as the best model for development.



Tajikistan: This new nation, with its 5.1 million inhabitants, is the poorest, least developed and most unstable of the Central Asian republics. Tajiks speak a language closely related to Persian, Iran's native tongue, and many young, unemployed village men have been impressed with Iran's Islamic revolution.

Since May 1992, the situation in Tajikistan has descended into chaos. Forces loyal to ousted Communist President Rakhman Nabiev have fought against a coalition of democratic and Islamic groups backing Acting President Akbar Shah Iskandarov. Over a thousand have died, and the fighting threatens to spill over into Afghanistan. More than twice as many Tajiks live in Afghanistan as in Tajikistan. Central Asians fear the prospect of Tajiks unifying to form a greater Tajikistan. The Afghan Tajik warrior, Ahmed Shah Massoud, a veteran of the war in Afghanistan, might spearhead such a movement. For Massoud, uniting with the former Soviet Tajiks would strengthen his hand against the traditionally dominant Pushtun majority in Afghanistan. Such a development would alarm Pakistan because of its own Pushtun population.

The main U.S. interest in Tajikistan is a return to political stability within recognized borders. Otherwise, the stability of the whole region could be endangered.

U.S. options

Most observers believe that U.S. influence in Central Asia is limited. The U.S. has provided humanitarian aid and technical assistance in agriculture. It can also help train local experts in market economics and democracy, and bring Central Asians to study at American universities. Washington's preferred course to date has been to support Turkey's initiatives because of its cultural and geographic ties to the region.

Boris Rumer and Eugene Rumer, analysts at Harvard University and the Rand Corporation, suggest the best U.S. approach to Central Asia is gradualism and long-term commitment that promotes active dialogue about strategies for economic and political development and security; assistance programs with adequate financing and skilled professionals; exchange programs for scholars, students and cultural groups; and involvement of private-sector aid organizations. They believe that "priority should be given to alleviating widespread poverty rather than to abstract schemes for promoting private entrepreneurship."

Perhaps in this way, and together with the new players of the post-Soviet Great Game, Central Asia can be assured of involvement in the international community, of developing economic and democratic reforms, and of at long last breaking the bars of the cage built first by the czars and reinforced by the Soviets.

NOBODY SAID THIS WAS GOING TO BE EASY.
YELTSIN
WE MUST STAY WITH OUR POLICIES TO THEIR COMPLETION.
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THE COMMUNISTS? - THE CZARS
THE BUFFALO NEWS

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The Western response

From December 1990 to October 1992, the U.S. committed roughly $6 billion for all the republics of the former Soviet Union, mostly in the form of agricultural credit guarantees toward the purchase of American farm products. By contrast, the European Community (in particular Germany) had committed some $32 billion in assistance. This caused some complaints in European capitals that the U.S. was not paying its fair share.

The Bush Administration looked upon large-scale aid warily, believing that more market mechanisms should be implemented first, or else money might be ultimately wasted. Moreover, the U.S., constrained by a large budget deficit, an economic recession and competing domestic priorities, balked at assuming the lion's share of the burden for transforming communism to capitalism.

The U.S. has coordinated its aid with the other members of the Group of Seven (G-7) industrial nations—Britain, Canada, France, Germany, Italy and Japan. A 1990 study commissioned by the G-7, which set the criteria for Western assistance, recommended four simultaneous reforms to enable the U.S.S.R. to make a rapid transition to a market economy: decontrol prices, privatize industry, cut government subsidies and defense spending, and stop printing rubles.

Nuclear weapons

When it became clear that Gorbachev would resign and the U.S.S.R. would disintegrate, the U.S. worried about the safety and security of Soviet nuclear weapons. Over 80% of the long-range nuclear weapons are in Russia, with the remainder based in Ukraine, Belarus and Kazakhstan. Most experts conclude that these weapons are safe and secure: the command and control system is tightly and centrally controlled, with the Russian president and defense minister responsible for authorizing their use.

Concerns regarding short-range weapons have diminished since May 7, 1992, the date the last of the tactical nuclear weapons were transferred to Russia from Ukraine. These weapons are now being destroyed. To assist with "the storage, disablement, and dismantling" of Soviet nuclear weapons, the U.S. Congress had authorized $400 million of the 1992 U.S. defense budget. In June 1992, Congress increased that amount to $650 million.

Stopping proliferation

Another pressing Western concern involves the potential sale or transfer of nuclear-weapons materials, technology and know-how to nations seeking a nuclear-weapons capability. Nearly a million Soviets were employed by the nuclear-weapons program. After the Soviet breakup, many incentives existed for selling nuclear materials or services abroad, among them a deteriorating economy, declining defense budget, increasing unemployment, and a need for hard currency.

To stop "nuclear yard sales," the U.S. has encouraged adherence to the Nuclear Nonproliferation Treaty, promoted nuclear export controls, and tried to help stem a possible Soviet "nuclear brain drain." Russia inherited the Soviet NPT obligation, and then Ukraine, Belarus and Kazakhstan agreed to accede to the treaty as nonweapons states, committing neither to acquire nuclear weapons, nor assist in the transfer of nuclear-weapons materials to third parties. Under strong U.S. pressure, Yeltsin agreed to establish nuclear-export-control laws in Russia. Finally, President George Bush pledged $25 million to establish a science and research institute in Moscow and another $10 million for a branch in Kiev, and to fund proposals that employ former nuclear scientists and engineers in nonmilitary projects.

Start compliance

Russia will be responsible for carrying out the terms of the Strategic Arms Reduction Treaty (Start), limiting long-range nuclear weapons, as well as eventual control of the Soviet strategic nuclear arsenal. Under a Start protocol signed on May 23, 1992, the U.S. recognized all four nations with strategic weapons as official successors to the Soviet Union in terms of previous arms-control agreements. Ukraine, Belarus and Kazakhstan have agreed to transfer all of their long-range nuclear missiles to Russia for destruction by 1997. In November 1992, the Russian parliament ratified Start but many legislators raised questions about going to the next stage of making reductions.

Moreover, on June 17, 1992, at a Washington summit meeting, Presidents Bush and Yeltsin agreed to a further reduction of long-range nuclear warheads to 3,000–3,500 on each side by the year 2003. From the U.S. point of view, this new agreement is especially advantageous because Yeltsin agreed to dismantle all of Russia's multiple-warhead intercontinental ballistic missiles, a U.S. goal in arms-control negotiations since the mid-1970s.

In his Los Angeles speech of August 1992, Clinton called for a "fresh assessment" of the new dangers facing America, including "the risk of new threats from the former Soviet republics should democracy fail, especially before all the nuclear weapons have been dismantled."

Conventional forces

Huge stocks of military equipment left in the wake of the Soviet breakup have complicated ethnic strife and provided powder kegs for areas of instability. Efforts to limit conventional forces revolve around the Conventional Forces in Europe treaty (CFE), signed on November 19, 1990, which set equal ceilings for NATO and the former Communist armed forces in Europe, from the Atlantic ocean to the Ural mountains.

At a May 1992 summit meeting in Tashkent, Uzbekistan, the successor-republics agreed to allocate weaponry among eight states after they make cuts required by the CFE treaty. Russia will keep about 50% of all tanks and artillery as allowed under the treaty, 60% of armored combat vehicles and attack helicopters, and 67% of the combat aircraft.

Significant new alignments emerged from the Tashkent summit, the most important being a Treaty of Collective Security signed by Armenia, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan. Turkmenistan and Belarus may join after studying the details more closely. This treaty will last five years with the option of

renewal, and it commits this group of republics to undertake cooperative military action based on the assumption that the signatories will field their own armies. The treaty provisions on mutual security are very similar to those of NATO: "an act of aggression committed by any state or group of states against any of the participating states will be regarded as aggression against all participating states."

Ukraine refused to sign and reaffirmed its intention to remain outside all military alliances and build its own military forces. Moldova also refused to sign, so the agreement will not pertain to the disputed Trans-Dniester Republic in eastern Moldova. Azerbaijan spurned the agreement because of its ongoing conflict with Armenia, and its claims that Russia and Armenia are already allied against it.

The five Central Asian states embraced the treaty for a number of reasons. With the demise of the pro-Soviet regime in Afghanistan, Central Asian leaders fear that unrest there might spill over into their republics. Moreover, they can ill afford to develop large military forces at this time. However, by aligning with Russia, Central Asia will give the Russian government substantial influence over military activities in the region.

Collective engagement

In 1992, the U.S. took the lead in convening three conferences of over 50 potential donor governments and seven international organizations to coordinate emergency aid in five areas: food, shelter, energy, medicine and technical assistance. The aid that emerges from the "Washington process" will eventually be coordinated through multilateral institutions such as the IMF and the World Bank. The long-term rationale for this aid is that democracy does not thrive easily on an empty stomach.

Many observers, including former President Richard M. Nixon and then Democratic presidential candidate Bill Clinton, felt a year ago that U.S. financial assistance was woefully inadequate. The Bush Administration responded to this criticism on April 1, 1992, with U.S. support for a $24 billion package to help the newly independent states transform their economies: $18 billion in 1992 to help Russia stabilize and restructure its economy; a $6 billion currency stabilization fund to help bolster confidence in the Russian ruble; and membership for Russia and other successor-states in the IMF. President Bush asked Congress to approve the Freedom Support Act as the American contribution to this multilateral package. The American share is expected to be up to $4.5 billion.

Proponents of the package, including President Bush, pointed to its low cost and investment value if, by promoting reforms, the U.S. would not have to face a possible authoritarian regime at a later date. They also argued that an open economic system in the former Soviet Union could have significant trade and investment benefits for the U.S.

Clinton at the crossroads

The Freedom Support Act was signed into law on October 6, 1992. It by no means ended the debate on how best to guarantee the transformation of the former Soviet Union. Candidate Clinton indicated support for developing a "democracy corps," teams of American experts to be sent to local centers throughout the former Soviet Union to help overcome bottlenecks to democratic development. He also favored renewed support for the bipartisan National Endowment for Democracy: America's task is to "stand up for democracy as it remakes the world." He added: "That challenge will have its costs and its burdens. But it need not divert us from the pressing need for economic, educational and social reconstruction here at home." As President, Clinton will have to define an approach for fulfilling this ambitious task.

PRESIDENTS PARLEY: *Yeltsin and Bush greet well-wishers during the Russian leader's visit to the U.S. in June 1992.*

Difficult choices

Many experts believe that the fate of democracy in the former Soviet Union depends to a large degree on the success of Yeltsin's reforms in Russia. One school of thought favors supporting Russia's leadership as "first among equals" among the newly independent states. Should reforms fail in Russia, they are doomed to fail in the other successor republics, and with potentially disastrous consequences for U.S. interests. Former President Nixon has advocated that the U.S. do all it can to support Yeltsin's reform, or America's winning of the cold war will be a short-lived pyrrhic victory. Others, such as former national security adviser Zbigniew Brzezinski, caution against the U.S. placing too much emphasis on Russia, which might encourage Russian domination of its neighbors. After all, Yeltsin may lose power, and a more authoritarian leader could take his place. Martha Brill Olcott contends that the U.S. would best be advised not to "rely on Russian judgments in defining its own interests in the region....No Central Asian leader," she asserts, "expects altruism from Russia, a nation that has repeatedly defined its historic destiny in terms of their region's subjugation."

Still others, like Clyde V. Prestowitz Jr. of the Economic Strategy Institute, argue that America should not focus on Russia or the other successor-states but rather on its own economic problems: the U.S. cannot afford to fix both the former Soviet Union's problems and its own at the same time. Nor can it claim to be the world's remaining superpower if it does not first set its own economic house in order.

DISCUSSION QUESTIONS

1. Many experts believe that the "second Russian revolution," which began with Gorbachev and continues with Yeltsin, is far from over. To what degree can the U.S. and its allies actively support the post-Soviet transformation to a more democratic and market-oriented system? To what degree must the Russians and Central Asians do it themselves?

2. Ethnic struggles and nationalism have been troubling by-products of the Soviet breakup. Nationalists now comprise a significant portion of Yelstin's opposition, and they have demanded compromises that detract from—if not directly threaten—economic reforms. If you were advising President-elect Clinton, what options would you present to him for U.S. policy toward Russia? What crisis scenarios and possible U.S. responses could you foresee, and what courses of action would you recommend? What levers of influence could the U.S. bring to bear in a crisis?

3. Now that the Warsaw Pact is no more and the Soviet Union has dissolved, the U.S. plans to reduce its presence in Europe and cut the defense budget. Given the ethnic struggles and nationalist problems in Russia and Central Asia, to what degree should the U.S. hedge against resurgent authoritarian-style governments?

4. Some believe the U.S. financial contribution to Russia has been too little. Others believe that the U.S. can no longer afford to spend money on other people's problems. What should be the limits of U.S. financial support for the transformation of Russia and Central Asia? To what degree must the U.S. invest so as to protect its long-term interests? What would be the potential costs if Russia returns to some form of authoritarian rule?

5. Given that Central Asia, its culture and its problems are not well-known to Americans, how can U.S. assistance to this region be directed most effectively? To what degree should the U.S. defer to others such as Turkey to shoulder Western interests? To what degree should it act alone?

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CITIZEN EXCHANGE COUNCIL, 12 W. 31st St., 4th floor, New York, N.Y. 10001-4415; (212) 643-1985. ■ A private nonprofit organization for cultural and educational exchanges with the former Soviet Union, especially in areas of environment, arts and education; publishes quarterly newsletter.

CITIZENS DEMOCRACY CORPS, 2021 K St., NW, Suite 215, Washington, D.C. 20006; (202) 872-0933; (800) 394-1945. ■ CDC is a private, nonprofit organization established in 1990 to mobilize U.S. private-sector expertise and resources to assist countries of Central and Eastern Europe and the former Soviet Union. Its services include a data bank, a volunteer registry and periodic conferences.

THE W. AVERELL HARRIMAN INSTITUTE FOR ADVANCED STUDY OF THE SOVIET UNION, Columbia University, 420 West 118th St., 12th floor, New York, N.Y. 10027; (212) 854-4623. ■ The institute, in addition to its courses, conducts research, publishes studies and offers public affairs programs.

INSTITUTE FOR EAST-WEST SECURITY STUDIES, 360 Lexington Ave., New York, N.Y. 10003; (212) 557-2570. ■ IEWSS is an international center for public policy research and education; mobilizes resources to help post-Communist states build civil societies and market economies. Publications: research volumes, public policy papers and special reports.

ISAR (formally the Institute for Soviet-American Relations), 1601 Connecticut Ave., NW, Suite 301, Washington, D.C. 20009; (202) 387-3034. ■ A clearinghouse that provides information and answers questions from organizations, individuals and the press. Publications include a **Handbook on Organizations Involved in Soviet-American Relations** and **Hosting Soviet Visitors: A Handbook.**

71 BEST COPY AVAILABLE

India and Pakistan: collision or compromise?

A nuclear arms race is lending an ominous new urgency to age-old tensions in the Indian subcontinent. What can the U.S. do?

by the editors

A POLITICAL CRISIS EXPLODED *in December when thousands of militant Hindus demolished a 16th-century Muslim mosque in the Indian state of Uttar Pradesh.*

In India and Pakistan, as in other parts of the globe, the end of the cold war and the disintegration of the Soviet Union have forced a reexamination of policies and renewed debate over their international role. The traditional alliances–India with the Soviet Union and Pakistan with the U.S.–are now no more. Yet the hostility between India and Pakistan that prompted them to seek superpower allies has not lessened. The most serious bone of contention between them is sovereignty over the beautiful valley of Kashmir, cradled by the Himalayan mountains. The two neighbors are also on the verge of a dangerous nuclear arms race.

The U.S., preoccupied with economic problems and in the process of reordering its own foreign policy priorities, seems to have given relations with South Asia a low priority in the "new world order." Ever since Soviet troops left Afghanistan in 1989, U.S. ties with Pakistan have been increasingly frayed, while U.S.-Indian relations have warmed. Where are U.S. relations with South Asia headed? Is it time for a reappraisal?

The peoples of the Indian subcontinent, who today constitute almost one fifth of the world's population, share a historical legacy: over 4,000 years of continuous civilization that includes a golden age of Hindu culture in the 4th and 5th centuries A.D. and the cultural and artistic flowering of the Islamic Moghul dynasty from the 16th to 18th centuries A.D. The British controlled much of India beginning in the late 18th century in what was the greatest part of their overseas empire. When the British were forced to leave the subcontinent in 1947, they agreed to the demand of most Indian Muslims for a sovereign state of Pakistan carved out of India. Pakistan consisted of an eastern and western wing separated by 1,200 miles of Indian territory. India became the world's largest democracy, while Pakistan, at present an Islamic republic, has been governed by the military for much of its existence.

Many Indians believe that the creation of Pakistan sundered a great civilization and that Pakistan would not have succeeded without outside support. Many Pakistanis are convinced that India has still not accepted the fact of their statehood. Those fears were confirmed in 1971 when India helped the former East Pakistan break away to become the new country of Bangladesh.

Subcontinent under stress

The ethnic, religious and national tensions that governments in New Delhi, India's capital, and Islamabad, Pakistan's capital, have always tried to hold in check have recently seemed to intensify. At present New Delhi is struggling to contain violent separatist movements in Punjab, Kashmir, and Assam; Islamabad is trying to control intercommunal strife in Sind.

In the last few years India and Pakistan have become more difficult to govern as the political consensus that has held each together for almost half a century unravels. Both countries lost prominent national leaders to assassination or violent death: in Pakistan, Zia ul-Haq in 1988, and in India, Indira and Rajiv Gandhi in 1984 and 1991, respectively. These individuals have been replaced by lower-profile leaders who have been forced to begin the vital task of economic liberalization.

In both India and Pakistan, there are rising demands for greater political participation and a more decentralized political system. Governments are being held more accountable to their own people. This has stimulated a renewed

attempt on the part of both Indians and Pakistanis to redefine their identity.

In this atmosphere of uncertainty, religious revival has flourished. In India, the Hindu chauvinist Bharatiya Janata party poses the main challenge to the ruling Congress party; in Pakistan, the Islamic Democratic Alliance (IJI in Urdu), composed of secular and religious parties, governs.

The mutual antagonism of India and Pakistan has also diverted resources that could have gone to alleviate poverty. Although both countries can now feed themselves and Pakistan is a major rice exporter, the per capita income in India is only $350, in Pakistan only $380. The countries, which have fought three wars, both maintain large defense establishments. The Pakistani military, for example, accounts for 40% of that government's budget; India's may account for 30%. They also both have advanced nuclear programs, and some of the countries' best minds are directed to military research.

U.S. interests

Does the U.S. have a stake in the future of South Asia? Since the 1989 pullout of Soviet forces, which had invaded Afghanistan 10 years earlier, the State Department, Congress and the media have increasingly lost interest in the region. American attention was diverted by the breakup of the Soviet Union and the war in the Persian Gulf; elsewhere in Asia, the U.S. was mainly concerned with political developments in China and trade relations with Japan.

By reason of population alone, however, the Indian subcontinent cannot be ignored. India, now 883 million strong, is expected to surpass China in the year 2035 to become the world's most populous country. India's fertility rate (the number of children an average woman bears during her lifetime) is 3.9 and declining, whereas China's is down to 2.2. Pakistan, with 122 million people, is the world's second largest Muslim country, with a fertility rate of 6.1. Bangladesh has 111 million and a fertility rate of 4.9.

One consequence of this rapid population growth is the pressure it puts on the environment. The West would like South Asians to curb their coal consumption, which contributes to the greenhouse gases causing global warming (but far less, it should be noted, than do the wasteful energy practices of Americans and Europeans). South Asians are not prepared to halt efforts to raise their standard of living, which such a sacrifice would entail, unless the West is prepared to make a tradeoff.

In India and Pakistan there are fears that ethnic and religious antagonisms could lead to civil war or even the countries' breakup. Yet, as Columbia University Professor Philip Oldenburg points out, the two countries have had decades of experience in managing ethnic nationalism and any breakup at this point is very unlikely. The U.S., many argue, has an interest in preventing the dissolution of India and Pakistan.

The top U.S. priority in South Asia is to head off a potential nuclear arms race, which makes retaining some influence over India and Pakistan crucial. The U.S. would also like to see the Kashmir problem resolved peacefully and human-rights abuses by Indian security forces halted. The U.S. is India's largest trading partner, and bilateral trade is expected to increase as India gives a freer rein to private enterprise.

U.S. leverage, however, is limited. Washington cut off aid to Pakistan in October 1990 because President George Bush could no longer certify, as required by Congress, that Pakistan did not possess a nuclear device. India gets little U.S. aid and has been more receptive in the past to Soviet suggestions than American ones.

Previously, the U.S. was often forced to choose between India and Pakistan for strategic reasons. In the post-cold-war world, this may no longer be necessary. There are over 800,000 people in the U.S. with origins in the subcontinent who are vitally concerned about its prospects. What future role should the U.S. play in South Asia?

India: the future of nonalignment

At the time of independence, India had many advantages: a large population, an excellent educational system, a well-trained army and civil service, and a democratic form of government. Yet despite these assets the Indian economy has lagged far behind those of its East Asian neighbors. "Nowhere else, not even in Communist China or the Soviet Union, is the gap between what might have been achieved and what has been achieved as great as in India," according to *The Economist* (London).

What went wrong? Many observers believe that government policies smothered the economic potential of the country. India's pursuit of self-sufficiency, of producing consumer goods itself instead of importing them, and of restricting foreign investment, has hindered a more rapid rise in living standards. Yet some believe this was essential to lay the groundwork for liberalization.

The "Asian tigers" (Singapore, Taiwan, South Korea and Hong Kong), in contrast, achieved rapid growth by expanding their exports. Many Indians have been slow to acknowledge their system's shortcomings, and only very recently have they seen the necessity of changing their economic priorities and policies.

The Gandhi 'dynasty'

Since the time of independence and partition in 1947, with the exception of a few years, India has been governed by members of the Nehru family. During this period of "dynastic rule," various prime ministers actually pursued quite different policies, as scholars Leonard Gordon and Philip Oldenburg have pointed out.

The first prime minister, Jawaharlal Nehru (1947–64), was a confidant of Mahatma Gandhi (no relation), the revered national leader who led the mass movement against British rule. Nehru was a socialist who favored democracy at home and nonalignment, that is a refusal to be allied with either the U.S. or the Soviet Union, abroad. His daughter, Indira Gandhi (1966–77 and 1980–84), seemed determined to hold onto

power at any cost, even at the expense of democratic institutions (such as the Congress party, the judiciary and the press). Following her assassination, her son Rajiv was selected to succeed her. He in turn was assassinated in May 1991. An airline pilot by training, Rajiv Gandhi used his popularity to begin to modernize the economy, but the widespead belief that he accepted kickbacks on foreign arms contracts alienated many.

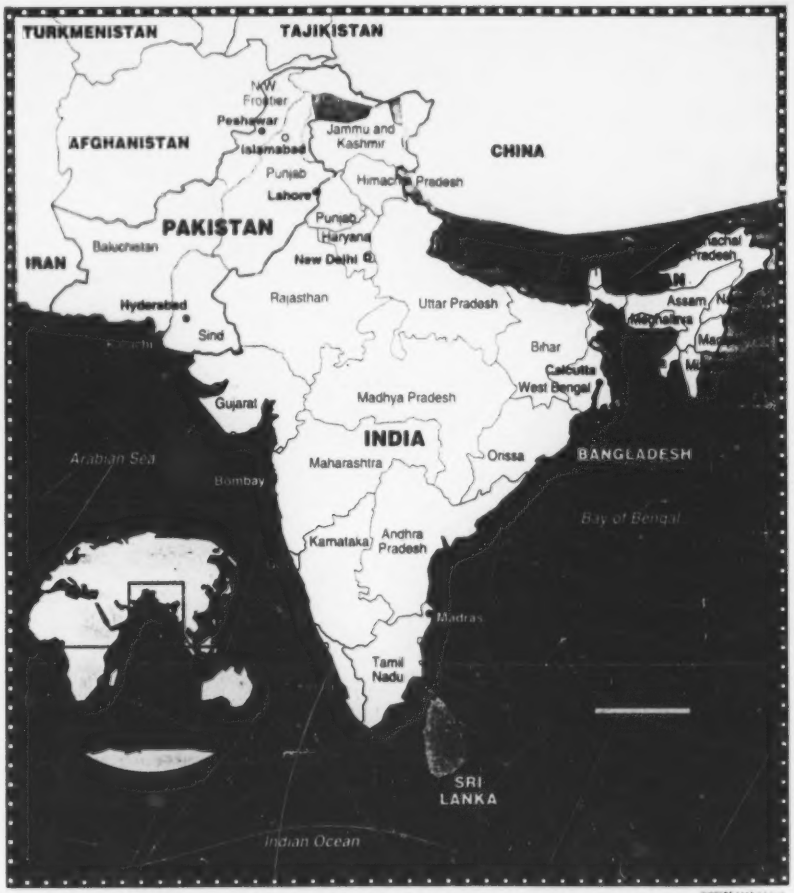
Gandhi's death ended the rule of the dynasty, at least for the time being. It led to weaker control by the central government over the 25 states and 6 union territories that make up India. The present prime minister, 71-year-old P.V. Narasimha Rao, took office in June 1991. In uncertain health, he is regarded as a cautious, consensus-seeking politician.

Rao surprised observers by introducing drastic economic reforms. He had little choice: inflation was high, and India was on the brink of defaulting on its foreign loans. The government devalued the rupee, the Indian currency; it began selling off public-sector enterprises; and it changed the terms of investment for foreign companies, some of which—such as Coca-Cola, Kellogg and IBM—had avoided India. As the country gives private enterprise a greater role, the main question is whether Rao and his successors will stay the course. By all accounts corruption is at an all-time high, and the pervasive bureaucracy is unwilling to relax its close control over the economy.

Political parties

Since 1989, no political party has commanded a majority in parliament, and governments have had to rely on allied parties for support. There are three major parties in India today: the Congress (I) (the "I" stands for Indira), the Bharatiya Janata (BJP), and the Janata. Since the death of Rajiv Gandhi the Congress (I) party has faced a crisis in leadership. It won only 37% of the popular vote in the 1991 election, but so far Rao has held the party together.

The major challenge to the Congress (I) party on the national level is posed by BJP. The BJP represents the conservative right, and stands for Hindu nationalism. It has attracted much publicity because of a controversy over a religious shrine at Ayodhya in Uttar Pradesh, a key northern province. The BJP demands that a Muslim mosque there, which they claim was built in the 16th century on the site of a Hindu temple, be demolished so that the temple can be rebuilt. The Janata party has support in north India, and Communist parties are strong in Kerala and West Bengal.



Crisis of governability

India is an extremely diverse country whose almost 900 million inhabitants represent many nationalities and speak 16 officially recognized languages. New Delhi's primary task has always been to preserve the union and contain separatist tendencies. In recent years, demands for autonomy or even independence in peripheral areas of the country have grown.

At present the Indian government is confronted with serious insurgencies in the states of Kashmir and Punjab in the northwest, and in Assam in the northeast. The most serious situation is in Kashmir (see sidebar on page 74). The situation today is tense, but India and Pakistan seem to have concluded that Kashmir is not worth another war.

In the Punjab, many Sikhs, members of a religion that arose out of Hinduism in the 15th century and who are represented by the main-line Akali Dal party, have struggled with the Congress party for greater control. (The Indian army's attack in June 1984 on Sikh militants holed up in the Golden Temple in Amritsar–the holiest Sikh shrine–provoked the assassination of Prime Minister Indira Gandhi by her Sikh bodyguards.) The central government took over the administration of Punjab in May 1987; afterward the province was plagued by escalating violence that in 1991 claimed some 4,900 lives.

Although most Sikhs are loyal Indian citizens, some have organized terrorist groups that demand the formation of a separate nation, to be called

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Khalistan (Land of the Pure). Their influence now seems to be waning. Relatively fair municipal elections were held in Punjab in September 1992, public safety has improved, and once again cars and trucks can travel the highways by night.

In Assam, tensions have persisted between ethnic (mostly Hindu) Assamese, who constitute half of the population, and (Muslim) Bengali immigrants, whom they would like to force out. Indian troops have been battling the United Liberation Front of Assam, which demands independence, although the situation seemed to have quieted somewhat in 1992. Still, security is so bad that the large tea companies based there have decided to recruit a private army.

The necessity of sending in the army to quell regional unrest has sapped the morale of the troops and led to an international outcry over human-rights abuses. Amnesty International said in a report released in the spring of 1992, "Torturing suspects has become part of the police's daily routine throughout India, where hundreds if not thousands of people have died from beatings in recent years and women are regularly raped in jail cells." The New Delhi government has reacted angrily, maintaining that outsiders have no right to judge it and pointing to heinous crimes carried out by the militants. The U.S. and others have warned India that they expect better from a democracy, and India could lose foreign aid from multilateral institutions as a result.

Nuclear activities

India exploded a "peaceful" nuclear device in 1974 in the Rajastan desert. It did not subsequently build weapons, but Indian officials have stated publicly that they could do so in short order. By the end of 1995, India could have enough plutonium for 65 weapons, according to scientists David Albright and Mark Hibbs, writing in *The Bulletin of the Atomic Scientists*.

India believes that possession of a bomb would assure its status as a great power. It would also safeguard India against the major threat to its security, a nuclear-armed Pakistan, and serve as a deterrent to China, another nuclear power which humiliated it during a border war in 1962. India has refused to sign the Nuclear Nonproliferation Treaty of 1968 (NPT), arguing that as a major power it is entitled to possess weapons and has a need to do so.

Pakistan has repeatedly proposed to India instituting restraints on nuclear proliferation, but so far India has not accepted. To do so would, paradoxically, enable Pakistan to repair its relations with the U.S. In June 1991 Pakistani Prime Minister Nawaz Sharif proposed a five-nation agreement in which the U.S., China and the Soviet Union would guarantee a nuclear-free South Asia. This has received U.S. backing, but not India's.

HOMAGE TO RAJIV GANDHI *was paid by Prime Minister Rao during a memorial service for the slain Indian leader.*

Although China finally acceded to the NPT as a nuclear-weapons state in March 1992 (and continues its nuclear tests), India, Pakistan and Israel are still major holdouts. Nuclear research in India proceeds apace, and India is speeding development of the Agni, a 1,200 km.-range ballistic missile which could be used as a delivery vehicle for nuclear weapons.

Foreign policy

India's traditionally pro-Soviet foreign policy has been rendered irrelevant by the collapse of the Soviet Union. Its future as a nonaligned state is also in question. A reorientation of India's foreign policy, however, may not come quickly.

India's most critical relationship is with **Pakistan**, and it is still tense. India frequently accuses Pakistan of intervening in its internal affairs in Kashmir and Punjab. Since 1984, India and Pakistan have been fighting the world's "highest" war for control over undemarcated portions of the remote Siachan glacier in the northeast. Although India does not consider Pakistan by itself a major threat, the military and financial backing it has received from abroad, especially from the U.S. and Muslim countries, gives the Pakistanis an unfair advantage, India believes. "Relations between India and Pakistan have been characterized by a peculiar dualism: official relations are based on a permanent state of paranoia and a zero-sum mentality; yet ordinary people continue to recall past contacts with nostalgia and to hanker for closer cultural relations today," according to Professor Ramesh Thakur of the University of Otago in New Zealand.

The **Soviet Union** was a valuable ally for India, one that provided substantial military aid, served as a major export market, and acted as a counterweight to the Chinese threat. It also provided reliable support at the United Nations, especially when the issue of Kashmir came up. The Soviet collapse has left Indian foreign policy adrift. During the Gulf war, India was shocked at the Soviets' lack of support for another ally, Iraq. India's own attitude toward the war was equivocal: the Indian government offered the U.S. refueling facilities, which Washington declined, foreseeing the problem this might cause.

India's relations with **China** seem to be improving. India has made common cause with China in resisting Western pressure for stiffer environmental safeguards, on the grounds that they would be too expensive and stifle growth.

The Gulf war made clear the military primacy of the **U.S.** Since U.S. ties with Pakistan are strained, there is clearly an opportunity for India and the U.S. to seek a closer relationship, and both countries have begun to do so. Already there has been some agreement on military matters, and in June 1992 the U.S. and India carried out a joint naval exercise. The basic prerequisite for better ties, however, is progress on the nuclear issue.

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Pakistan: the search for identity

AT THE TIME of partition the provinces of Punjab and Bengal were divided. West Pakistan included part of Punjab and East Pakistan, part of Bengal. Pakistan's two wings never worked well together due to cultural and linguistic differences and the economic domination by West Pakistan. The religious bond was not strong enough to bind them. East Pakistan broke away after a bitter civil war in 1971 and, with Indian assistance, became the new state of Bangladesh. The secession of Bangladesh reinforced the fears of many Pakistanis–and the convictions of many Indians–that Pakistan was an artificial entity that could not last.

Pakistan is composed of various ethnic groups and tribes identified with four major regions, each with its own personality. The Punjab, fertile and prosperous, has always dominated the other regions politically and economically. Punjabis constitute 60% of Pakistan's population. Sind, whose major city is Karachi, is a poor agricultural province still ruled by large landlords (like the Bhutto family). The North-West Frontier province, which adjoins Afghanistan, is a rugged area dominated by Pushtun (or Pathan) tribesmen who have always resisted central rule. Baluchistan, the largest province, is a poor, arid, sparsely populated area bordering Iran.

Political heritage

Pakistan's founder, Mohammad Ali Jinnah, wanted the new country to be a constitutional democracy. Muslim religious leaders, or *ulama*, who were originally opposed to dividing the faithful between India and Pakistan, wanted the new country to be governed by Islamic law *(Sharia)*. There has been no consensus on how to reconcile the two goals. Pakistan's third constitution of 1973 calls for a modern parliamentary democracy with Islam as the state religion.

Constitutional democracy has been the exception, however, not the rule, in Pakistan. For most of the years since independence, the military has held sway, notably under generals Ayub Khan (1958–69), Yahya Khan (1969–71) and Zia ul-Haq (1977–88). The military has traditionally mistrusted politicians and regarded them as catering to narrow constituencies rather than promoting the national interest. Politics in Pakistan has always revolved mainly around personalities, and political parties have never been given the chance to mature into broad-based organizations.

Restoration of democracy

General Zia ousted Prime Minister Zulfikar Ali Bhutto, a socialist whose authoritarian ways caused widespread alienation, in a military coup in July 1977. Zia then imposed martial law for the third time in Pakistan's history. Implicated in a conspiracy to kill a political opponent, Bhutto was hanged in April 1979. Zia suppressed political activity, institutionalized the role of the military in politics, and introduced a policy of Islamization.

On December 30, 1985, Zia lifted martial law and restored the constitutional rights that had been suspended, although he retained his position as army chief. Political parties were again allowed to operate. Opposition to the government coalesced around Benazir Bhutto, the charismatic daughter of the executed prime minister who led the Pakistan People's party (PPP) he had founded.

Following Zia's death in a plane crash in suspicious circumstances on August 17, 1988, which also killed the American ambassador, elections were held as scheduled in November. The PPP, which demanded a return to democracy, won about half of the seats in the National Assembly; in December, Benazir Bhutto was appointed prime minister and formed a new government.

Bhutto had difficulty containing corruption at home and controlling the military, although she forged close ties to Washington. Law and order deteriorated as tensions between the central government and provinces heightened. Amid unproven charges of corruption against her and her husband, Bhutto was dismissed by the president in August 1990.

On November 6, 1990, Mian Nawaz Sharif, an urban industrialist who had been chief minister of Punjab, was chosen prime minister in what were generally considered fair elections. He is the leader of the Islamic Democratic Alliance. Sharif has introduced reforms (see below) in an attempt to invigorate the economy. But by the fall of 1992, his government was faltering, burdened with rising inflation, charges of corruption, and a crisis in Sind.

In this atmosphere, Benazir Bhutto, regarded as a modernizer and a westernizer, is again leading the opposition. She is demanding that new elections be held and was arrested in November 1992 for defying a government ban on political rallies. If she can secure the backing of the army, and convince industrialists she will exercise restraint in nationalizing enterprises, she may have another chance to govern.

Islamization

When Pakistan was created, Islam was supposed to be a unifying factor in a state fraught with political, ethnic and economic rivalries. Instead, Islam itself often became a source of divisiveness. The Muslims of the subcontinent are by no means a homogenous community. Because of Pakistan's religious diversity (most are Sunni Muslims but one fifth are Shiite), there has been disagreement over what norms to enforce. The questions that have plagued Pakistan since independence—such as whether it is to be a nation of Muslims or an Islamic state, and if so, what kind—continue to cause discord.

When Zia assumed power, his domestic priority was to institute "Islamic" norms, while using his support of Islam to legitimize his own role. He created Islamic-law courts to supplement the civil authorities. The religious parties that supported him pressed for the implementation of harsh "Islamic" punishments for drinking, theft and adultery. The treatment of women was harsh. There has also been pressure to introduce an "Islamic" economy, above all, interest-free banking and loans. Zia's efforts at top-down Islamization, however, are widely regarded as a failure.

The Sharif government was elected on a platform that called for the Islamization of all laws. (Benazir Bhutto opposed this, saying it would make Pakistan into a theocracy.) The paying of

Kashmir: Vale of Trouble

KASHMIR has always been one of the most serious bones of contention between India and Pakistan. It led to war in 1948–49 and in 1965, and also figured in the fighting in 1971. Since late 1989, anti-Indian sentiment has swelled and Kashmir, torn by violence, has been occupied by the Indian army.

The Kashmir valley, located at an altitude of 5,000 feet and surrounded by the high peaks of the Himalayas, is famous for its scenic beauty. It has a strong historical identity as a distinct region. While primarily Muslim, until recently there was a small community of Kashmiri brahmans, known as *pandits* ("learned persons"), of which the most famous was Jawaharlal Nehru, India's first prime minister.

The modern state of Jammu and Kashmir came into existence in 1846. It included Hindu-majority Jammu in the south (home of the ruler), the predominantly Muslim Kashmir valley, with its capital city of Srinagar, and Ladakh, a high plateau adjacent to China, thinly populated with Buddhists. Although Muslims constitute perhaps 90% of the population in the valley, they only amount to some 55% in the entire state of Jammu and Kashmir.

Today's problems arose from an inability to reach agreement on Kashmir's future at the time of partition. As one of almost 600 princely states in the Indian Empire, Kashmir had to join either India or Pakistan. Independence was never offered as a real option. The issue was complicated by the fact that although Muslims were in the majority, Kashmir had a Hindu ruler.

Leaders in New Delhi sought Kashmir's accession, partly in order to demonstrate that India was a secular state for all religious communities and not just Hindus. But the most important local leader, Sheikh Muhammad Abdullah, the "Lion of Kashmir" (1905–82), was a secular figure who was ambivalent about joining Pakistan.

For Pakistan, inclusion of Kashmir was critical because the rationale of that country's creation was as a refuge for Muslims. (The "k" in Pakistan stood for Kashmir.) Kashmir was also contiguous to Pakistani territory and contained the upper reaches of the Indus river system, key to downstream irrigation.

As the maharajah of Kashmir hesitated, Pakistani-based tribesmen invaded and fomented an insurrection among his Muslim subjects. (The facts are still in dispute.) In return for Indian protection, the maharajah agreed to accede to India. Fighting then ensued between Indian and Pakistani forces as Muslims announced the formation of "Azad (free) Kashmir" in the western portion of the state.

India took the issue to the UN Security Council in January 1948, but was shocked when the council appeared more sympathetic to Pakistan's position. In late 1948 both countries accepted a UN resolution stating that the Kashmir question should be decided by a plebiscite. The cease-fire that took effect on January 1, 1949, effectively divided Kashmir in two, and the "line of control" it established has served as the de facto international frontier since then. However, neither India nor Pakistan has accepted it as a final border.

After the death of Sheikh Abdullah in 1982, political infighting between supporters of his son and son-in-law kept the province in turmoil. It also led to demands for independence by insurgent groups, notably the Jammu and Kashmir Liberation Front (JKLF). Another group, the Hizb ul-mujahideen, wants to join Pakistan. The governments of Indira Gandhi and her son, Rajiv, dealt harshly with the upheaval and contributed to the polarization there. The army has been engaged in a harsh crackdown since January 1990, with perhaps 200,000 troops.

To date, Indian authorities have shown no inclination to soften their stance on Kashmir, despite international criticism. New Delhi maintains that the decision of the ruler of Kashmir to join India remains legally binding. It also fears that if Kashmir is allowed to break away, the Indian union could unravel. India protests that Pakistan is arming militants and providing them with sanctuary in an attempt to embarrass it. They note that Kashmir already has "special status" under article 370 of the Indian constitution, giving it (at least in theory) more autonomy than other Indian states.

Pakistan has long insisted that India honor its commitment to hold a plebiscite in Kashmir, and has little doubt that the vote would go against India. However, Pakistan, like India, refuses to countenance the idea of independence, and insists that the vote be simply to join one nation or the other. At present it appears that a majority of Kashmiris would opt for independence.

It seems likely that, in the long run, India must concede more autonomy to Kashmir. Many Indians are uneasy at the occupation, realizing it is a stain on their democracy and has led to human-rights abuses on the part of their troops. India is also receiving increasing international criticism over Kashmir, which could begin to affect its aid levels. Tensions have cooled since the war scare in 1990, but the issue is an emotional one for Pakistanis and could lead to conflict again if not defused. The countries' diplomats continue to discuss Kashmir, but there are no breakthroughs on the horizon.

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interest has been outlawed since the summer of 1992, causing consternation among potential investors. Foreign lenders recently pulled out of a major hydroelectric project to be built near Karachi. The question today, as before, is how Islamic law can be brought into harmony with the constitution.

The economy

Since independence, compared with other low-income countries, Pakistan's economy has progressed at a relatively rapid rate, with a steady movement of the labor force into industry, commerce and services. In the 1980s, gross domestic product (GDP) grew at the rate of 8% a year. Today cotton textiles and apparel make up 40% of its exports. Pakistan also benefited from around $36 billion in outside economic aid from 1947–85.

By the early 1990s, however, economic growth had slowed. The U.S. suspended its aid program, and the Iraqi invasion of Kuwait cut off remittances from Pakistani workers in the Persian Gulf. The workers had to be brought home, where there were no jobs waiting.

Sharif is the first prime minister with a background in business, and after his election he moved quickly to liberalize the economy. He encouraged the private sector, sold off a few nationalized companies, and eased restrictions on foreign exchange and investment. Despite these measures, the budget for the 1992–93 fiscal year has a record deficit, which will have to be met by borrowing. (Pakistan collects little from taxes; aside from government employees, only half a million people pay income taxes.) Pakistan is counting on a $1 billion loan from the International Monetary Fund (IMF) to close the gap, but so far the IMF has refused to provide it until Islamabad cuts spending and reduces corruption.

Crackdown in Sind

The constant struggle between the central government and the provinces is one of the country's most serious problems. This is dramatized by the current crisis in Sind. The population there is divided between native Sindis, who are largely rural and poor and tend to support Benazir Bhutto's party, and people who migrated from India at the time of partition, known as *muhajirs*. They have prospered in the province's largest cities, Karachi and Hyderabad, and are represented by a political party, the Muhajir Qaumi Movement (MQM), that is a key backer of the Sharif government.

The death of the province's chief minister in March 1992 accelerated a breakdown of law and order, and in June, Sharif sent in the army. By November, the situation had improved and the army wanted to leave, but the government kept it there to prop up the provincial government. Army investigations revealed widespread criminality on the part of the MQM, thereby endangering the governing coalition. There are now serious tensions between the army and civilian leadership.

Foreign relations

Pakistan's foreign-policy makers have always been preoccupied with the country's security. In 1954, Pakistan signed a mutual defense agreement with the U.S. and joined the Southeast Asia Treaty Organization (Seato). The following year it joined the Baghdad Pact, a mutual defense treaty between Britain, Iran, Iraq and Turkey (later renamed the Central Treaty Organization, or Cento, after the withdrawal of Iraq). In 1959 Pakistan concluded a bilateral security agreement with the U.S., in which Washington acknowledged that the "independence and integrity" of Pakistan was vital to U.S. interests. In return, the U.S. was promised 10 years' use of military facilities at Peshawar.

Although Pakistan endorsed the U.S. view that Communist expansion was a threat to international peace, it always regarded India as its major antagonist. Pakistan fought three wars with India, first at the time of independence, then over Kashmir in 1965 and over East Pakistan in 1971. Since then tensions over Kashmir have several times brought the countries to the brink of war, most recently in 1990.

Pakistan has always regarded the U.S. as an unreliable ally, because America did not support it in its major clashes with India. In 1965, after Pakistan attacked India over Kashmir, the U.S. imposed an arms embargo on both countries that hurt Pakistan more than India. In 1971 Pakistan faulted the U.S. for not doing more to prevent the breakup of the country.

After the loss of East Pakistan, Prime Minister Zulfikar Ali Bhutto reoriented Islamabad's foreign policy toward the Middle East and the Islamic world. Emphasizing that Pakistan was a Muslim state, he developed close ties with Iran, Libya and Saudi Arabia. Such ties paid off with financial aid for Pakistan and jobs for Pakistani workers and soldiers in the Persian Gulf.

India's explosion of a nuclear device in 1974 exacerbated Pakistan's insecurity and, many believe, made Pakistan determined to develop a bomb of its own. To Pakistanis, U.S. opposition to their nuclear program seemed unfair, especially when India was already a de facto member of the nuclear club. They claimed they needed nuclear power for energy to increase agricultural production.

U.S. ties

The Soviet invasion of Afghanistan in December 1979 brought Pakistan and the U.S. together again. The previous year, Afghanistan had signed a friendship treaty with the U.S.S.R., ending its nonaligned status. Bitter infighting between two pro-Soviet factions paralyzed the Afghan government, which was struggling to combat a popular insurgency. Fearing an anti-Communist coup and convinced the U.S. would not intervene, the Soviet army moved south.

Pakistan suddenly became a front-line state facing the Soviets, and the Reagan Administration offered strong support to the Zia government. In 1981 the U.S. granted Pakistan a six-year, $3.2 billion package of military and economic aid. A second agreement, to provide an additional $4 billion over fiscal years 1988 to 1993, was suspended in October 1990. To disguise its involvement in Afghanistan, the U.S. delegated to Pakistan responsibility for disbursing the aid and running the war. As a result, the Afghan resistance leader whose fundamentalist brand of Islam appealed most to Zia, Gulbuddin Hekmatyar of the fundamentalist Hezb-i Islami party, received most of the weapons. However, of all the rebel leaders, Hekmatyar was most hostile to the U.S.

Pakistan's relations with the U.S. have been on a downward spiral since the end of the Afghan conflict and the fall of Benazir Bhutto's government. The suspension of all U.S. economic and military assistance in late 1990 and

U.S. criticism of Pakistan's role as a drug producer and conduit for traffickers have caused widespread resentment. The Pakistani military, in particular, which counts on the U.S. for arms and spare parts, urgently desires 60 additional F-16 fighter bombers to modernize its air force.

Some anti-American feeling was evident during the Persian Gulf war. Pakistan's then army chief was pro-Iraq, although civilian leaders agreed to contribute troops to the alliance that ousted Iraqi leader Saddam Hussein from Kuwait. "To many in Pakistan, U.S. abandonment of the alliance [in 1990] seemed final evidence of a ruthless, fickle America that never cared very much about anything other than turning back the Soviet tide in central Asia," according to Steve Coll of *The Washington Post*. At the close of 1992, U.S.-Pakistan relations were still strained and mistrustful.

What happens in Afghanistan matters very much to Pakistan. The decade-long war led to an influx of several million refugees, putting a serious economic and political strain on Pakistan. Sending the refugees home is a top priority. A serious drug problem and urban violence in cities like Karachi are also blamed on the Afghan conflict.

The U.S. and Soviet Union cut off all arms aid to their former clients in Afghanistan as of January 1, 1992. The Soviet-installed government in Kabul collapsed and in April, in what was regarded as a triumph for Pakistani diplomacy, the Sharif government negotiated an accord to establish an interim government in Kabul among the *mujahideen*, or Afghan resistance groups. The accord provided for a transitional government and, eventually, free elections. However, civil war has ensued among the mujahideen commanders. By late fall, supplies of food and medicine were becoming critically short as widespread clan warfare broke out. Afghanistan at present faces the prospect of dismemberment along ethnic lines, which would set an ominous precedent for Pakistan.

The U.S. role

SINCE WORLD WAR II, U.S. policy toward South Asia has been complicated by the hostility between India and Pakistan. As the world's most populous democracy, an important export market and the most powerful country in the subcontinent, India naturally elicited American sympathy and support. However, at a time when the world was sharply divided into two political blocs, India's championing the principle of nonalignment and its de facto alliance with the Soviet Union beginning in the mid-1960s exasperated Washington. Pakistan, although often under military rule, became a close U.S. ally because it supported the American perception of a Soviet threat to the subcontinent.

Pakistan's disappointment, however, at the lack of U.S. support in its confrontations with India, along with the anti-American rhetoric of Prime Minister Zulfikar Ali Bhutto, led to a decade of distrust between the two erstwhile allies. On strong evidence that Pakistan was acquiring equipment to construct a nuclear enrichment facility, the U.S. cut off all assistance except food in April 1979.

The Soviet invasion of Afghanistan led to a U.S. policy reversal. During the Reagan years (1981–89) ties between the U.S. and Pakistan were close. In return for funneling $3.5 billion worth of weapons and aid to the Afghan insurgents, the U.S. strongly backed the Zia government and was even willing to overlook its nuclear program.

India

U.S. relations with India have been characterized by ambiguity and uncertainty. One U.S. ambassador noted the American tendency to see India through the eyes of Rudyard Kipling: "a land of cobras, maharajahs, monkeys and famines." A study of perceptions in the 1950s revealed that Americans actually had a much more positive image of China than India.

India resented the U.S. attempt to treat it and Pakistan equally, since it always regarded itself as the dominant power in South Asia. India was also distressed that the U.S. did not support its position on Kashmir. Furthermore, India feared that weapons the U.S. provided to Pakistan would be used against it. Partly in response, India developed an independent foreign policy and a close relationship with the Soviet Union.

The U.S. reluctantly had to deal with three wars in the subcontinent. In 1962, after the Indian border war with China, it sent arms to India as a token of support. The U.S. and the Soviet Union both turned to the UN to arrange a cease-fire in the 1965 war over Kashmir. During the December 1971 war, the Nixon Administration "tilted" to Islamabad to reward it for acting as an intermediary in the secret U.S. opening to China. The U.S. decision to favor West Pakistan led to protests in the Congress and media because of West Pakistan's brutal crackdown on the independence movement in the east.

During the 1970s U.S.-India relations were uneventful, except for President Jimmy Carter's unsuccessful attempt to get India to sign the NPT. In the Reagan years, Washington was aggravated by the lack of Indian cooperation on Afghanistan.

Time for a change?

By 1993, the international situation has vastly changed. "The U.S. now has an opportunity for a fresh start in South Asia and should move toward a more detached policy that avoids embroilment in the Indo-Pakistani military rivalry while giving appropriate emphasis to India as the subcontinent's most important power," according to Selig S. Harrison, a longtime observer of the region with the Carnegie Endowment for International Peace.

What are U.S. interests in South Asia? Most would agree that they include promoting democracy and economic liberalization, encouraging nuclear restraint, curbing opium cultivation and narcotics trafficking, safeguarding human rights and providing humanitarian relief. The U.S. has sought to discourage the rivalry between India and Pakistan, and has sought to mediate in times of trouble, such as the Kashmir crisis in 1990. With Pakistan's strategic significance greatly reduced, ties with India will likely improve.

The U.S. wants peace and stability in South Asia and, to this end, has supported the territorial integrity of each

country. It has opposed autonomy or independence movements, such as those in Kashmir and Punjab, or in Baluchistan for that matter. A basic problem the U.S. has faced in the past is a lack of leverage with India, partly due to its ties with the Soviet Union and paltry American aid levels.

Some Americans now argue for more "symmetry" in the U.S. approach to India and Pakistan, which means in practice being less hard on India. The U.S. preference for China (also allied with Pakistan) over India in the past also has distressed some Asia-watchers.

India must rely on the U.S. and Western-controlled multilateral institutions for economic help. Still, neither India nor Pakistan has given any indication that it is prepared to alter fundamentally any of its cherished policies, such as on Kashmir. There is a strong domestic constituency in both countries to possess nuclear weapons. With the new international situation, India must begin to contemplate some changes.

U.S. policy options

Some of the major issues confronting U.S. policymakers include the nuclear question, the Kashmir situation, and human-rights abuses.

❑ **1. The nuclear issue.** The top U.S. concern is to halt the development of nuclear weapons and roll back current programs. This applies not only to Pakistan and India but to a whole chain of countries in Asia including Iran, Kazakhstan and China. Until now U.S. pressure has been focused on Pakistan, and the U.S. has played its strongest card by cutting off aid. This has not led to any discernible modification of Pakistani behavior. In regard to India, the U.S. has sought to bring its nuclear facilities under international inspection. Some suggest that the U.S., to be fair, should extend the certification requirement to India (i.e., the President certifying to Congress that India does not possess a nuclear device before providing aid). Aside from continued entreaties, what else can the U.S. do?

- **Increase multilateral economic pressure.** The economies of both India and Pakistan are in bad shape and depend on outside assistance. Before providing it, major donors such as Japan or multilateral institutions such as the World Bank, the IMF and the Asian Development Bank could insist upon cooperation over nuclear issues, such as getting India to sign the NPT or getting Pakistan to allow inspections.

AP/WIDE WORLD PHOTOS

FORMER PRIME MINISTER BENAZIR BHUTTO *waving to supporters of her attempt to overthrow the Sharif government.*

- **Work harder for a regional accord on nonproliferation.** Now that France and China have signed the NPT, all major nuclear powers are pledged to observe it. In other parts of the world, regional nonproliferation accords are being signed between formerly hostile neighbors, such as Brazil and Argentina and the two Koreas.

Pakistan has promised to sign if India does too. The two countries did come to agreement in 1990 not to attack each other's nuclear installations, which is progress. The best that may be hoped for in the present environment is agreements to cap nuclear stockpiles, and to submit nuclear facilities to international inspection. The U.S. could give stronger backing to the Sharif proposal for a "five-nation" regional nuclear-free accord.

- **Acknowledge that it is too late to achieve a nuclear freeze.** The U.S. could admit that stopping weapons development in India and Pakistan is impossible at this point. But by cutting off aid to Pakistan, the U.S. has lost most of its leverage there and given India an excuse to continue development. It might be better to drop the certification requirement and rebuild our influence with Islamabad. Pakistan is still useful to the U.S. as a bridge to Islamic countries, including Iran, Afghanistan and the Central Asian republics.

❑ **2. Kashmir.** U.S. policy is to encourage a bilateral dialogue between India and Pakistan to resolve the Kashmir dispute, taking into account the legitimate political rights of the people of Kashmir. In 1990 the Bush Administration indicated that the dispute should be resolved under the terms of the 1972 Simla Agreement, which calls for disputes to be settled bilaterally and not by outside agencies. India prefers this approach, which would deprive Pakistan of outside support such as at the United Nations.

Critics of past U.S. policy argue that India is clearly ignoring the wishes of the Muslim inhabitants of the Valley of Kashmir, and Indian repression there flies in the face of its adherence to democracy. India so far has evaded its obligation to hold fair elections there because it is afraid of their outcome. If the U.S. has acquiesced in the formation of new states in Yugoslavia and Central Asia, why not in Kashmir, these critics ask. They believe the U.S. should at least urge India to grant Kashmir more autonomy.

❑ **3. Human rights.** The response to violence and ruthlessness on the part of militants in Kashmir and Punjab has been repression by the Indian army and police. The U.S. government has been critical of New Delhi in its annual country reports on human-rights practices (mandated by law), but otherwise it has kept a low profile on the issue. This might change, however, in the Clinton Administration. Would a stronger U.S. stand against human-rights abuses be productive?

Some congressmen have called for action, and in early 1993, the Senate plans to hold hearings on the Kashmir situation, which will undoubtedly highlight human-rights abuses.

DISCUSSION QUESTIONS

1. India and Pakistan have been called "major battlegrounds in the worldwide struggles between democratic and authoritarian political systems and between secular values and religious fundamentalism" (Selig Harrison). In this battle, which country should the U.S. back? Does the U.S. have more in common with India or with Pakistan?

2. Strategic concerns have influenced past U.S. foreign policy toward the Indian subcontinent, which has led to a "tilt" toward Pakistan. Is it time to redress the balance? Should the U.S. in the future be more evenhanded in its relations with India and Pakistan?

3. President-elect Bill Clinton has indicated that he will give priority to human-rights and nuclear nonproliferation issues in formulating his foreign policy. How important are these issues? How will they affect U.S. relations with India? with Pakistan?

4. The U.S. supports a dialogue between India and Pakistan rather than outside pressure to resolve their dispute over Kashmir. This is India's preferred solution as well. So far India has evaded its obligation to hold an election. Should the U.S. maintain this policy or is a change advisable?

5. India is the world's largest democracy. As such, does it deserve more U.S. attention? How would you rank the importance of the Indian subcontinent in the new world order? Should it be accorded a high or a low priority?

6. Although ties with Pakistan are now strained, in the past it has been a close U.S. military ally. Should the U.S. overlook Pakistan's nuclear program for the sake of the overall relationship?

7. The Bush Administration cut off aid to Pakistan because it was continuing to develop its nuclear capability. There is no evidence that this decision deterred Pakistan from continuing to pursue nuclear self-sufficiency. What other leverage, if any, can the U.S. exert to slow the spread of nuclear technology and nuclear weapons?

READINGS AND RESOURCES

Baxter, Craig, Malik, Yogendra K., Kennedy, Charles H., and Oberst, Robert C., **Government and Politics in South Asia,** 2nd ed. Boulder, Colo., Westview Press, 1991. 416 pp. $24.95 (paper). Designed as an introductory college text, this book explores the political development of seven South Asian states since World War II.

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"India and South Asia." **Current History,** March 1992. Entire issue. Articles dealing with recent developments in India, Pakistan, Afghanistan, Bangladesh and Sri Lanka; see especially the lead article on South Asia and the U.S. by Selig Harrison.

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ASIA FOUNDATION (see Topic 4)

ASIA RESOURCE CENTER (ARC), P.O. Box 15275, Washington, DC 20003; (202) 547-1114. ■ Provides information on the peoples, cultures and effects of U.S. policy in Asia and the Pacific. Offers reports, studies, audiovisuals, issue summaries, press services, curriculum material or training, speakers bureau and staff members to speak.

ASIA SOCIETY (see Topic 4)

CENTER FOR ASIAN STUDIES, University of Texas, Austin, Tex. 78712-1194; (512) 471-5811. ■ An outreach program that offers educational materials available to keep or on loan at the primary, secondary and college levels on East Asia, South Asia and Southeast Asia. All items are free of charge.

CENTER FOR SOUTH ASIA, University of Wisconsin, 1258 Van Hise Hall, 1220 Linden Drive, Madison, Wisc. 53706; (608) 262-9690. ■ Promotes understanding through language training, student exchange programs in India and Nepal, film and video documentaries.

CENTER FOR SOUTH ASIAN STUDIES, University of Virginia, 125 Minor Hall, Charlottesville, Va. 22903; (804) 924-8815. ■ The center coordinates research and outreach programs relating to Afghanistan, Bangladesh, Bhutan, India, Nepal, Pakistan, Sri Lanka and Tibet. Sponsors seminars, an annual South Asia symposium and offers in-service training, focusing on South Asia, for elementary and secondary school teachers in the state. Extensive film, video and publications libraries are available for use by educators in the region.

OPINION BALLOTS

How to use the Opinion Ballots: *For your convenience, there are two copies of each opinion ballot. Please cut out and mail one ballot only. To have your vote counted, please mail ballots by June 30, 1993. Send ballots to:*

FOREIGN POLICY ASSOCIATION, 729 SEVENTH AVENUE, NEW YORK, N.Y. 10019

TOPIC 7 India and Pakistan

ISSUE A. *With regard to the development and spread of nuclear weapons by India and Pakistan, the U.S. should (check one choice only):*

- ❑ 1. Increase economic pressure on India and Pakistan and encourage other aid donors to withhold aid.
- ❑ 2. Instead of relying on economic leverage, which has not been effective, promote a regional nuclear-free zone, which would include India and Pakistan.
- ❑ 3. Acknowledge that it is too late to achieve a nuclear freeze and work to rebuild U.S. influence in Pakistan and improve relations with India.
- ❑ 4. Other, or comment _____

First three digits of your zip code: ___ ___ ___

Date: / /1993 *Ballot continues on reverse side...*

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TOPIC 8 Children at Risk

ISSUE A. *To improve the lives of children throughout the world, the U.S. should:*

	Agree	Agree with reservations	Disagree with reservations	Disagree
a. Ratify the UN Convention on the Rights of the Child.	❑	❑	❑	❑
b. Shift international aid priorities to increase funding for child survival and basic needs.	❑	❑	❑	❑
c. Shift bilateral aid priorities in order to direct more aid to the neediest countries.	❑	❑	❑	❑
d. Resume funding for the UN Population Fund.	❑	❑	❑	❑
e. Restructure the U.S. Agency for International Development so that its focus is on sustainable development and transfer security assistance programs to the State Department.	❑	❑	❑	❑

Other, or comment _____

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Other, or comment _____

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Date: / /1993 *Ballot continues on reverse side...*

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OPINION BALLOTS

ISSUE B. *How would you rank U.S. policy interests in South Asia? Write (1) next to your first choice, (2) next to your second, etc.*

____ a. Restrain nuclear proliferation.

____ b. Promote self-determination for Kashmir.

____ c. Protect human rights.

____ d. Support democratic leaders and policies.

____ e. Encourage privatization, trade and investment.

____ f. Other, or comment _____

_____

_____

ISSUE C: *If forced to choose between them, which country should the U.S. favor?*

____ a. India.

____ b. Pakistan.

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____ e. Encourage privatization, trade and investment.

____ f. Other, or comment _____

_____

_____

ISSUE C: *If forced to choose between them, which country should the U.S. favor?*

____ a. India.

____ b. Pakistan.

ISSUE B. *To improve the lives of children in this country, the U.S. should:*

	YES	NO	NO OPINION
a. Apply the lessons learned from the international child survival program, which emphasized preventive health care and mass health education campaigns.	☐	☐	☐
b. Increase investments in children's health and education programs, including Head Start and WIC.	☐	☐	☐
c. Encourage a partnership between government and the private sector to improve children's lives.	☐	☐	☐
d. Emphasize the role of the family and reduce the role of government.	☐	☐	☐

Other, or comment _____

_____

_____

ISSUE B. *To improve the lives of children in this country, the U.S. should:*

	YES	NO	NO OPINION
a. Apply the lessons learned from the international child survival program, which emphasized preventive health care and mass health education campaigns.	☐	☐	☐
b. Increase investments in children's health and education programs, including Head Start and WIC.	☐	☐	☐
c. Encourage a partnership between government and the private sector to improve children's lives.	☐	☐	☐
d. Emphasize the role of the family and reduce the role of government.	☐	☐	☐

Other, or comment _____

_____

_____

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Children at risk: abroad and at home

Around the world, more than 250,000 children die each week from diseases that could be easily prevented. What is to be done?

by Janet Torsney

Together, our nations have the means and the knowledge to protect the lives and to diminish enormously the suffering of children....We are determined to take that action. We ourselves hereby make a solemn commitment to give high priority to the rights of children, to their survival and to their protection and development.... We do this not only for the present generation, but for all generations to come. There can be no task nobler than giving every child a better future.

WITH THIS DECLARATION the World Summit for Children, a meeting of leaders from more than 150 countries held in September 1990, came to a close. The summit at the United Nations was the first time world leaders from every region came together to discuss a single issue: children. If meetings such as this and words such as these were enough to transform reality, life would be better today for millions of children.

State of the world's children

But the reality is harsher. Around the world, 250,000 children die each week. Almost two thirds of these children die from diarrhea, respiratory infections, measles and neonatal tetanus—all easily and inexpensively treated or prevented. Millions more live with persistent malnutrition and chronic ill health. The largest proportion of children suffering from preventable illness and death is in sub-Saharan Africa and south central Asia, but the numbers are significant throughout the developing world.

"If we did not know how to prevent or treat the infectious diseases and malnutrition causing most child death and disability, we would lament this terrible loss without making moral judgments or assigning blame," said James P. Grant, executive director of the UN Children's Fund (Unicef). "But how can the world permit this tragedy to take place—this ongoing tragedy larger than any other in this century of mass tragedies—when we do command the knowledge and resources to prevent the vast majority of these deaths of innocent children?"

Beyond these life-and-death health issues, children disproportionately suffer the effects of poverty, war and natural disaster. Children are subject to abuse, prostitution, involuntary labor and imprisonment in alarming numbers. Around the world, more than 30 million children are homeless and 7 million are refugees. The lives and prospects for these millions of chil-

ASLEEP ON THE STREETS, *a child lies beside a mat of cardboard as her mother peddles goods to passing motorists in the city of Asunción, Paraguay.*

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dren—in the short- and long-term—are grim indeed.

Despite the magnitude of this suffering, experience has shown that the lives of children can be dramatically improved. For example, in 1990, Unicef and the World Health Organization (WHO) announced that, with the help of governments and nonprofit organizations, they had succeeded in immunizing 80% of the world's children under the age of one against the six major preventable diseases (diphtheria, whooping cough, polio, tetanus, tuberculosis and measles). This achievement is all the more remarkable in light of the fact that the global vaccination rate was about 10% when the goal was set in the late 1970s. It is an ironic twist that because of this effort immunization rates for very young children in the capitals of Mozambique and Zimbabwe are higher than in London and New York.

Infant mortality rate vs. per capita GNP

	Infant mortality rate (infant deaths per 1,000 live births)	Per Capita GNP (U.S. $)
Japan	4.6	25,430
Sweden	6.0	23,860
Switzerland	6.8	32,790
Canada	7.1	20,450
Singapore	6.7	12,310
France	7.5	19,480
Britain	7.9	16,070
U.S. whites*	8.1	-
All U.S.	9.9	21,700
Hungary	15.4	2,780
Poland	16.3	1,700
Jamaica	17.0	1,510
U.S. blacks*	17.6	-

*1988 figures
Source: Population Reference Bureau, 1992 World Population Data Sheet

Children in the U.S.

Low immunization rates are of great concern to health officials in the U.S. Although almost all children in the U.S. are vaccinated by the age of six, immunization rates for preschoolers were 12% to 67% below the rates for European countries. In some inner-city neighborhoods, more than half the preschoolers are not immunized. Such low immunization levels are attributed to families with no consistent source of medical care (particularly preventive care), a lack of understanding of the need for vaccinations, barriers created by the health-care system and the rising costs of vaccinations.

Diseases on the rise

As a result, in the country where most of the vaccines were developed, easily preventable diseases are on the rise: whooping cough is twice as common as it was in 1970, polio is becoming more widespread, and measles are at epidemic proportions. In 1990, there were more than 25,000 cases of measles; 60 of these were fatal. A 1991 report by the National Vaccine Advisory Committee warned of the dangers beyond the measles epidemic itself. "Measles, being the most contagious of vaccine-preventable diseases, is also an indicator that signals a failure in the system of vaccination. Given low immunization levels among young children, it is reasonable to suspect that there are substantial numbers of children now who are also susceptible to pertussis, poliomyelitis, mumps and rubella....The measles epidemic may be a warning flag of problems with our system of primary health care."

Another measurable sign of the crisis facing young children in the U.S. is the infant mortality rate. The U.S. ranks 20th in infant mortality rates, behind Spain, Singapore, Ireland and Hong Kong, all of which have less than half the U.S. per capita gross national product (GNP). Washington, D.C., has an astounding infant mortality rate of 23.2 deaths per 1,000 live births.

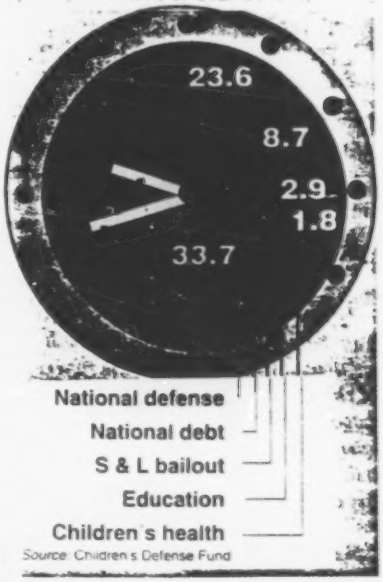
"The U.S.' poor international standing indicates that we have not made the same commitment to our children as have other industrialized nations," said a 1992 report from the National Commission to Prevent Infant Mortality. "We spend more on health care and have more technology at our fingertips than anyone else," said Rae K. Grad, executive director of the bipartisan commission. "Yet, we don't do all we can to provide all of our citizens a healthy start in life. This is a problem of priorities. It is not a health or technology problem."

Another reflection of the low priority of children's issues is the poverty that has become a fact of life for almost 14 million children. Children are now the fastest-growing group of poor people in the U.S. Today, one in five children—and one in four under the age of six—live in poor families. Between 1979 and 1990—while the U.S. GNP grew by more than 25% —child poverty increased 26%. Aside from the personal tragedy of children living in poverty, particularly at a young age, this is dangerous for society as a whole because poverty is so closely correlated with school failure, teenage pregnancy and crime.

Escalating divorce rates, a huge increase in out-of-wedlock births and the failure to meet child-support payments are factors in the burgeoning child poverty rate. So is the decreased effectiveness of government payments in lifting children out of poverty. For example, in 10 states the Aid to Families With Dependent Children (AFDC) benefit is less than one third the poverty line of $12,675 for a family of four; no states have AFDC benefits that put families above the poverty line. Some observers note, however, that AFDC is only part of the package of benefits available and federal government spending, only part of the picture.

Spending priorities

Every hour during the 1992 fiscal year the federal government spent (in millions of U.S. dollars):



Source: Children's Defense Fund

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First call for children

First call for children—"a principle that the essential needs of all children should be given high priority in the allocation of resources, in bad times as well as in good times, at national and international levels as well as at family levels"—was the theme of the World Summit for Children convened in 1990. Leaders from Canada, Egypt, Mali, Mexico, Pakistan and Sweden called the summit to highlight the opportunity to improve the lives of children if they were given a higher priority.

The leaders gathered at the summit unanimously committed themselves to basic, measurable goals to improve the lives of children. The goals were formulated so that each country could adapt them to the baseline measures in their country. For example, Mexico's maternal mortality rate was 100 per 100,000 live births between 1980 and 1990; it has pledged to reduce that to 50 over the next decade.

The 27 summit goals include:

- reducing child deaths by one third
- cutting maternal mortality rates in half
- halving severe and moderate malnutrition in children under five
- providing 90% immunization coverage
- reducing death from measles by 95%
- providing clean water and sanitation for all families
- making family-planning services universally available
- assuring basic education for all children and a complete primary education for at least 80%
- encouraging all nations to ratify and observe the Convention on the Rights of the Child

Unicef estimates that meeting these goals would save the lives of 50 million children over the next decade.

Although no formal pledges were made, leaders at the summit agreed to fund the estimated $20 billion a year throughout the 1990s (about one third of that from international aid) needed to achieve these goals. More than 100 nations, including the U.S., are in the process of developing or implementing 10-year national plans of action to meet the summit goals.

In 1993, Unicef will release a report on how well nations have kept the promise of the summit. In 1995, high-level representatives will meet again for a mid-decade review of summit goals.

Rights of the Child

The convention, adopted in 1989, establishes universal legal rights for children. The impetus for the convention began during the preparations for the1979 celebration of the International Year of the Child. Research conducted as part of the observance of the International Year of the Child revealed that children were neglected, abused and exploited to a far greater degree than was previously thought. During 10 years of intensive negotiation, basic standards of protection for children were hammered out in the convention's 54 articles.

Reflecting exceptional interest in and approval of the convention, it has already been adopted by 122 nations. (For other conventions, the adoption process generally has taken a decade or more.) Alone among Western democracies, the U.S. has neither signed nor ratified the convention. The other 35 nations in this category include Cambodia, Iraq, Libya and South Africa.

American critics of the treaty maintain that the mere signing of a piece of paper has little practical impact in actually protecting or enforcing human rights.

The Senate and House passed resolutions calling for the Bush Administration to sign and forward the convention to the Senate for "advice and consent." The National Governors' Association is considering a similar resolu-

Child Survival Success Stories: Developing Countries Show It Can Be Done

MEXICO, one of the conveners of the summit, used the political prestige of the world meeting to put children at the top of the country's agenda. The Mexican government launched a comprehensive program for children that has already had a dramatic impact in its first year.

- Provision of basic health services, in poorest villages and city neighborhoods, has increased 25% since 1990.
- Seven of Mexico's 31 states, plus Mexico City, have increased immunization coverage to 90% of all children under five.
- Twenty million packets of oral rehydration salts to combat dehydration from diarrhea have been distributed.
- Three million more people were provided with safe drinking water in 1991; 70% of Mexico's population now has a clean water supply.

Although Mexico's impetus came from the summit, its success in transforming the lives of children in a short time is typical of child survival programs around the world. When Unicef launched this initiative, it was called the child survival revolution in the hope that it would radically transform the health of young children. The effect has, indeed, been revolutionary.

Through the basic child survival interventions (immunization, promoting breast-feeding, growth monitoring, encouraging child spacing and training in oral rehydration therapy) and complementary nutrition and sanitation projects, 10 developing countries—Barbados, Chile, Egypt, Guyana, Jordan, Nicaragua, Papua New Guinea, Sri Lanka, Thailand and Tunisia—reduced their under-five mortality rates by one third or more between 1980 and 1990. An indication of the low cost of these preventive measures is that the average GNP of most of these countries was well below the $2,170 average per capita GNP for all developing countries.

Convention on the Rights of the Child

AFTER a 10-year drafting process, the Convention on the Rights of the Child was adopted by the General Assembly in November 1989. Less than one year later, the convention entered into force as international law, the quickest any UN convention has become law

Known as the Magna Carta for Children, the 54 articles of the convention establish universal legal rights to ensure:

- Basic needs—such as health care, education, recreation and due process—are met.
- Children are protected from exploitation, abuse and neglect.
- Families receive the support they need to care for their children.
- Particularly vulnerable children, including those who cannot be with their families, receive the best possible care.
- Children are given adequate opportunity to play an active role in society.

These rights apply to all children, who are defined as people under the age of 18 (unless a different age of adulthood is established in their country).

The 10-member Committee on the Rights of the Child, chosen from among the ratifying states, monitors compliance with the convention. Within two years after ratifying the convention (and every five years after that), each state must submit a report to the committee on measures that have been taken to make the convention a reality. Although the committee reviews these reports, there are no specific enforcement measures.

tion from the states. Despite these efforts, the convention has been stalled since a review process by six departments (Education, Labor, Health and Human Services, Justice, Defense and State) was completed in June 1990. The convention remains unsigned and in the hands of the State Department's assistant secretary for human rights and humanitarian affairs.

The obstacles to signing the treaty and forwarding the convention to the Senate for advice and consent to ratification fall into three categories: problems the U.S. has with all human-rights treaties; the social and economic nature of the rights covered by the convention; and objections to specific articles. First, the U.S. has always had trouble ratifying human-rights treaties. The government is reluctant to accede to treaties that contradict state laws even though it has the power to do so constitutionally. For example, it took 40 years for the U.S. Senate to consent to ratification of the Genocide Convention. Second, many UN treaties (particularly the Convention on the Rights of the Child) address social and economic issues that the U.S. does not generally consider to be part of fundamental human-rights law, preferring to focus instead on political or civil issues. Finally, there are specific provisions of the convention—for example, the protection against execution of juveniles—that contradict U.S. or state law.

However, through a process of noting reservations to specific articles, these obstacles can be overcome. In fact, the logjam in ratifying human-rights treaties appears to have been broken. In the last four years, the U.S. has ratified the Genocide Convention, the Torture Convention and the Covenant on Civil and Political Rights. The ratification of each of these treaties has laid the groundwork for compromises that could lead to ratification of the Convention on the Rights of the Child by the U.S.

The difficulties the U.S. has with the ratification of treaties is ironic (and frustrating to other UN member states) because of the very active role the U.S. plays in their development. Although the U.S. has still not ratified many UN conventions, these treaties often reflect compromises that were insisted upon by the U.S. In the case of the Convention on the Rights of the Child, the U.S. pushed hard for lowering the minimum age for soldiers and reducing the power and funding for the Committee on the Rights of the Child.

Children as a good investment

"IF COMPASSION were not enough to encourage our attention to the plight of our children," said New York Governor Mario Cuomo, "self-interest should be." Investments in programs for children bring an enormous return, not just for the individual children but for society as a whole.

Global investment

The experiences of Japan, South Korea and Taiwan demonstrate the payoff in making significant investments in the health, education and well-being of children. World Bank studies show that raising the average educational level of the labor force by one year can raise the gross domestic product 9%. Not surprisingly, studies also show that improved nutrition can increase work productivity by 20%. In particular, addressing children's malnutrition and anemia improves their attendance, attentiveness and achievements in school.

Global strategies to promote an investment in children are also beneficial to donor nations. The U.S. Agency for International Development (Usaid) has found that the U.S. reaps enormous benefits from the investments it makes in the health of people in a developing country. For example, the U.S. spent $84 million to eradicate smallpox in the world between 1967 and 1977; because there is now no need to provide vaccinations or conduct border checks to detect smallpox, the U.S. saves that $84 million every three or four months. According to Usaid's 1992 child survival report, "The domestic benefits of foreign assistance in health

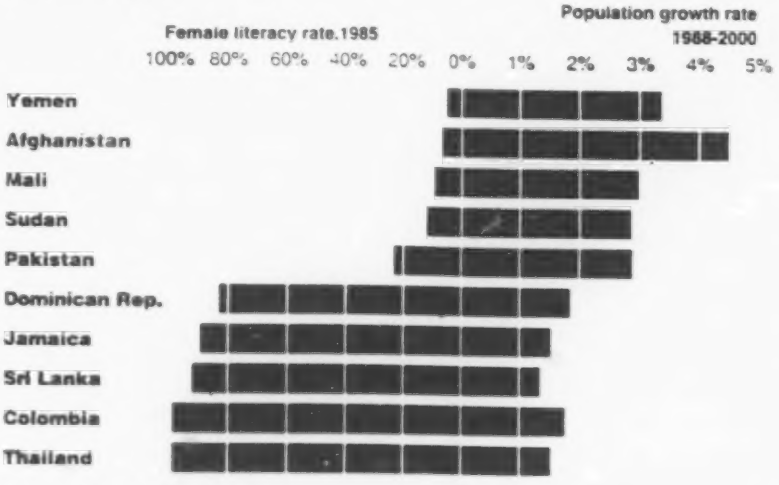
include savings in domestic health costs, the availability of new technologies and the transfer of skills and knowledge back to the U.S."

Although the $252 million Usaid spends on child survival is only 3% of its annual development assistance budget or less than 1% of all international affairs appropriations including military sales, "few development assistance programs have succeeded as rapidly in meeting their objectives as the international effort to reduce infant and child mortality in developing countries," says Usaid. "At a time when resources are scarce and needs are great, building upon proven successes represents sound investment and wise policy. The child survival program has the advantages of...a proven track record, and demonstrated ability to learn from experience and adapt to changing circumstances."

Programs that help parents control the size of their families are among the most cost-effective child survival initiatives for both mothers and their children. Family planning could prevent the "high risk" births (children born to mothers younger than 18 or older than 35 and fewer than two years apart) that are associated with the great majority of child deaths and maternal deaths related to childbirth. Population control is also beneficial to the nation as a whole: each year during the 1980s GNP per capita in countries with slower population growth increased 2.5% more than in countries with rapid population growth.

Women's Literacy and Population Growth

There is a close connection between education and fertility: the more education women have, the more likely they are to have small families.



Source: United Nations Population Fund

But the demand for family planning is largely unmet. According to the UN Population Fund (Unfpa), as many as 300 million women in developing countries did not have access to safe and reliable contraception in 1990. This is significant because global population could decrease by about 30% if all the women in developing countries who want to could control the size of their families. Unless fertility rates fall significantly by the year 2000, the world population could triple (from the current 5.4 billion) before stabilizing in the next century.

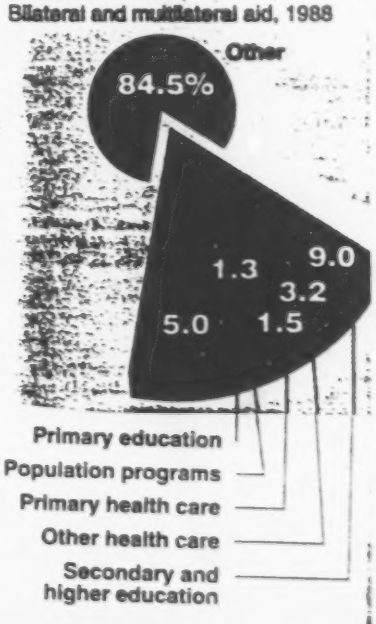
Population control is a foreign aid issue because 95% of population growth will be in the developing world. Many of these countries will be unable to meet the increased demands for food, housing, jobs and education that will accompany population growth. Even Zimbabwe, Africa's family-planning success story with the highest contraceptive use in sub-Saharan Africa, is struggling to fund its population services as it grapples with the worst drought of the century.

The economic, social and political status of women and girls is inextricably tied up with successful family planning. Yet, in the developing world as a whole, girls generally eat less, receive less health care and work harder than boys. In some nations, this discrimination is deadly. Unicef estimates that one million girls in Bangladesh, India and Pakistan die each year just because they are female. Far fewer girls receive even basic education—females account for almost two thirds of the world's 949 million illiterates—although education for girls and women has shown to improve both child health and family income. In developing countries, each additional year of education for a mother has been shown to reduce child mortality by 7% to 9%.

Despite the apparent high return on aid used to meet the basic needs of children and their families (primary health care, education, family planning, sanitation and rural water supplies), only 10% to 15% of worldwide assistance goes to these programs. Among 12 industrialized donor nations for which information is available, the percentage of aid directed toward basic needs in 1989 ranged from 4% (Italy) to 15.8% (Switzerland); the U.S. contributed 7.9%.

Foreign Aid for Basic Needs

Bilateral and multilateral aid, 1988



Source: Unicef based on OECD data from 1989 and World Bank data from 1991

The face of foreign aid

ALTHOUGH HEALTH, education and population programs demonstrate a remarkable return on investment and significantly improve the lives of poor children, only about 15% of all bilateral and multilateral aid went to these programs in 1990.

Return on early intervention

Experience in the U.S. reinforces Usaid's contention that preventive care is a good investment. For example, immunizing a child from birth through age five costs about $230 in the U.S.; these vaccinations save at least $2,300 per child by preventing illness. Since the measles vaccine was developed 20 years ago, an estimated $5 billion in medical costs—and untold numbers of lives—have been saved. Yet, immunizations rates in the U.S., particularly for young children, continue to decline.

The Special Supplemental Food Program for Women, Infants and Children (WIC) has also proven to be cost-effective in fighting malnutrition. Some children's advocates believe WIC provides a way to extend immunization and regular health care to the needy. Because WIC brings women into prenatal care, it also fights low birthweight (babies under 5.5 pounds) and premature births. While the WIC food package costs $270 for an entire pregnancy, intensive care for one low birthweight baby averages $38,500. Yet WIC has never been fully funded and, today, has the resources to serve only half of those eligible.

Another well-documented program in the U.S. that can serve as a model for international efforts to meet the basic needs of children is Head Start. Children who participate in Head Start, the early-education program for poor children, are more likely to be at their grade level in school and less likely to become teen parents. Because it includes nutritious meals and health care and promotes parental involvement, Head Start has had an impact on poor children and their families far beyond a traditional preschool. "It would be hard to imagine that society could find a higher yield for a dollar of investment than that found in preschool programs for at-risk children," said the Committee for Economic Development in its 1985 report on business and the public schools. But, with available funding, only one third of eligible children participate in Head Start.

The business community has also grown increasingly responsive to family-support measures such as parental leave, dependent care and flexible scheduling. Since the 1980s, the number of companies with family-support programs has increased ninefold (although that still means only about 10% of all employees benefit from one or more of these programs). The National Employer Supported Child Care Project studied more than 400 organizations and found that the "payoffs" for these programs included improved recruitment, reduced turnover and absenteeism, increased productivity and an improved corporate image.

SCHOOLCHILDREN GRIMACE *as they are vaccinated by health-care workers in Thailand under a Unicef-supported government program.*

Young and old battle for resources

AN AMERICAN under six years of age is more than twice as likely to be poor as one over 65. Between 1978 and 1987 federal spending on the elderly (primarily Social Security and Medicare) rose in constant dollars from $151 billion to $230.4 billion (up 52%), while expenditures on all child-related programs (AFDC, Head Start, food stamps, education and child nutrition and health) went from $51 billion to $48.3 billion (down approximately 4%).

The good news is that the poverty rate for older people dropped from 33% in the late 1960s to 12% in 1987. The bad news is that the federal government now spends nearly 23% of its budget on citizens over 65 and less than 5% on citizens under 18. One result is that millions of American children who are poor enough to be eligible for Head Start and WIC cannot

participate because these programs have never been fully funded.

Supporting programs for senior citizens, particularly Social Security and Medicare, will get even more costly in the years to come. For example, in order to pay for Social Security, payroll taxes have risen 400% since 1955. Three quarters of all American workers now pay more Social Security tax than federal income tax. Each year, about $25 billion worth of Social Security benefits go to households receiving $30,000 or more in retirement benefits. (Some of these benefits, it should be noted, go to survivors and their children. In addition, disability payments support parents of children.) "To a distressing degree," said economist Sylvia Ann Hewlett, "public policy is being used to transfer money from the needy young to the comfortable old."

Children are generally not well-represented in the political system. The voting rate for parents with children under the age of 18 is only 38%. Households with children now account for only 35% of all American households, down from nearly 60% in 1960.

By contrast, senior citizens have well-organized interest groups as well as their individual voting power—65% of Americans between the ages of 65 and 74 vote. The American Association of Retired Persons (AARP), for example, now has some 29 million members and has been very effective in promoting the interests of its members.

In addition to groups, like the Children's Defense Fund, that have long advocated children's rights, the Coalition for America's Children, a diverse group of 60 organizations, was formed to raise awareness about children's issues. Service organizations, like Kiwanis and the Junior League, have also begun to make children a focus of their activities. Foundations are encouraging advocacy for children both among their grantees and in their own programs. The reason is simple, according to Douglas Nelson, director of the Casey Foundation: "Anyone interested in children would have to be deliberately ignoring reality not to know that the real answers to these problems lie in the political realm and in public education."

U.S. policy options

Each of our children represents either a potential addition to the productive capacity and enlightened citizenship of the nation, or, if allowed to suffer from neglect, a potential addition to the destructive forces of the community. The ranks of criminals and other enemies of society are recruited in an altogether undue proportion from children bereft of their natural homes and left without sufficient care. The interests of the nation are involved in the welfare of this army of children no less than in our great material affairs.

—President Theodore Roosevelt, February 1909

More than 80 years after Theodore Roosevelt uttered those words, the need to promote "the welfare of this army of children" both in the U.S. and around the world is greater than ever. More is also known about the kinds of interventions—such as preventive health care and early education programs like Head Start—that can transform children's lives.

Recent polls indicate that the American public wants more resources devoted to children: 61% of voters surveyed listed children as the top priority for spending their tax dollars, according to a poll by the National Association of Children's Hospitals. Many child advocates, like president of the Children's Defense Fund Marian Wright Edelman, believe that failing to assure that children are healthy and well-educated is a grave danger for society as a whole. "The inattention to children by our society poses a greater risk to our safety, harmony and productivity than any external enemy," she said.

A CHILD SOLDIER *in the National Resistance Army in Uganda.*

Conversely, a 1990 Gallup poll found that one third of those surveyed (including 50% of senior citizens and 38% of men) believed children were not the government's but a private concern. "Between 1960 and 1990 the number of children in the U.S. remained roughly constant at about 64 million," said economists Victor R. Fuchs and Diane M. Reklis in a recent study of children from an economic perspective. "With many more adults available to provide and care for children, a substantial increase in the well-being of children might have been expected. Instead, the reverse seems to have occurred."

The tension between the responsibility of private citizens to care for their children and the role of the state in compensating and protecting children from social and economic disadvantage is reflected across the political spectrum. The recent presidential and congressional elections seem to indicate a heightened interest in children's issues.

What policies should the U.S. adopt

to improve the lives of children throughout the world and at home? Following are some of the options:

International issues

❑ Ratify the UN Convention on the Rights of the Child.

Pro: The U.S. could reclaim its leadership role on behalf of the world's children if it signed the convention and submitted it to the Senate and encouraged its speedy ratification. The U.S. could use the precepts of the convention and the world summit goals—not least of all, the "First call for children"—as a framework for its foreign aid programs.

Con: Human rights are spelled out in the UN's existing Universal Declaration of Human Rights. There is no need for additional, largely symbolic, conventions that pile unobserved right on unobserved right. Moreover, children already have adequate legal rights in the U.S.

❑ Increase child survival and basic-needs funding.

Pro: Given the demonstrated effectiveness of these programs, child survival programs should receive a larger percentage of U.S. foreign aid. The last Congress shifted some $275 million in foreign aid money from military and security assistance to child survival programs and some $135 million to education. This was $100 million short of the funding the UN was hoping for from the U.S.

The U.S. could also increase the percentage of aid that goes to basic needs (currently less than 8%),with a particular emphasis on primary education. Although there is much antiforeign aid sentiment in the U.S., polls show that Americans consistently support international aid for child survival, food, environmental and population programs. These programs have the added advantage of being largely implemented by U.S. nongovernmental organizations—such as CARE, the Red Cross and Save the Children Federation—which have a proven track record and a deep well of support among Americans.

Con: While funding basic-needs programs is in the long-term interest of the U.S., these programs should be financed and run privately, rather than by the government. In a period of huge federal spending deficits, aid for children has to compete with demands for other federal expenditures.

❑ Direct aid toward the neediest countries.

Pro: The U.S. could also direct more of its aid toward the neediest countries. Currently, more than one third of U.S. nonmilitary aid goes to Israel, Egypt and El Salvador, countries that represent just over 1% of the world's population and rank among some of the least impoverished of the developing countries.

Con: Continued U.S. support for such countries as Israel and Egypt is justified because it is in the national interest, helping to promote Middle East peace. In many countries, government corruption prevents aid from getting to the people for whom it was intended. It makes more sense for the U.S. to send aid where it will have some practical benefits.

TRAUMATIZED BY WAR, *a child in Liberia stares vacantly into a camera.*

Another issue that complicates the aid debate is the competition between the former Soviet empire and Eastern Europe and the poorest regions of the world for scarce funds. Some observers consider the interest accorded events in the former Yugoslavia versus the attention paid to the crisis in Somalia during most of 1992 as a harbinger of this kind of competition. Without significant constituencies, the poor countries are likely to continue to fall behind.

❑ Resume funding for the Unfpa.

Pro: In 1986, the U.S. stopped funding the Unfpa on the grounds that it provides support to China, which has a coercive abortion program. The Administration has a policy against providing funding, even through international agencies, to countries that coerce women into having abortions. Unfpa has denied this contention, and although these charges have never been proven and Congress has repeatedly tried to reinstate funding, the U.S. continues to withhold funds.

With increased support from other donor nations, Unfpa plays a leading role in family planning. The U.S. has continued to provide $250 million for population programs, but critics note they could have greater impact if they were more closely coordinated with Unfpa's efforts. By not participating in Unfpa programs, many people feel the U.S. is missing an opportunity to help lower the rate of population growth when the need is greatest: 97 million will be born in the next decade, more than half in Africa and South Asia.

Con: Others contend that the U.S. has rightfully taken a strong stand against abortion by withholding funding from Unfpa (and the International Planned Parenthood Federation) and should not back down.

❑ Restructure Usaid.

Pro: Critics of Usaid contend that the agency, because of its large bureaucracy and outdated cold-war orientation, is not an effective administrator of U.S. foreign aid. A proposal gaining support among the international development community calls for the President to place all aid programs with a security orientation (such as democracy initiatives, balance-of-payments support and economic policy reform) under the State Department. A new agency, or a reconfigured Usaid, would manage all sustainable development activities such as health, food security, family planning, environment and education. This new agency would give greater impetus to U.S. foreign aid in these areas and, even without increased funding, improve their impact.

Con: Reforming any bureaucracy is difficult, particularly one as complex as Usaid and the State Department. Without strong support for this effort and a clear understanding of the benefits of the change, it is unlikely to happen.

Domestic issues

❑ Implement recommendations of the National Commission on Children.

After two and a half years of study, the bipartisan National Commission on Children made a comprehensive series of recommendations based on programs with a proven track record in the U.S. and in other countries. Those recommendations include universal health insurance coverage for pregnant women and for children through age 18, full funding for Head Start, a $1,000 refundable tax credit for each child, and improving child-support collection.

Pro: The U.S. should implement the recommendations. There is already legislation in several key areas (including health-care reform and child support) that could move elements of the commission's recommendations forward and deserve support.

Con: The commission estimates that the cost for this program would be between $52 billion and $56 billion, or about one fifth of current military expenditures. Such a program would require a level of political support for children's initiatives that has never been demonstrated and is therefore unrealistic.

❑ Apply lessons learned from child survival.

Child survival has revolutionized the health of children in nations much poorer than the U.S. by emphasizing preventive health care and massive health education campaigns.

Pro: In place of the U.S. health-care system, which is heavily oriented toward a more curative approach, the U.S. should adopt a cost-effective preventive approach, which would increase the role of health-care workers and decrease the role of doctors and hospitals except in emergencies and serious illness. The U.S. should extend its successful public health campaigns in such areas as discouraging smoking to children's health. Dr. C. Everett Koop's tenure as surgeon general indicated the impact strong government leadership could have on promoting good health.

Con: A shift from curative to preventive health care would require a radical change in the very way health care is viewed and implemented in the U.S. and should not be attempted without further exhaustive study.

Even if it were possible to get general agreement on—and then funding for—education campaigns that could improve the health of children, some people believe such a campaign would result in undue government interference.

BREAD FOR THE WORLD *lobbies in Washington for increased congressional funding for programs to help end childhood hunger.*

❑ Support investment in children.

Many business leaders have become convinced of the importance of increasing investment in children's health and education in order to assure that the U.S. will have a competitive work force. Others view this investment as an essential way for the U.S. to demonstrate its historic leadership role in the world by demonstrating how it values its own children.

Despite the cost-effectiveness and moral imperatives, this investment has never been made. For example, neither Head Start nor WIC has ever been fully funded (each is unable to serve about two thirds of eligible participants because of financial restrictions). "Because we do not now spend enough tax dollars to provide all poor children with good early childhood programs," concludes a 1991 report by the High/Scope Educational Research Foundation, "we wind up spending three times as much as the programs would have cost on largely ineffective responses to school failure, crime and unemployment."

Lisbeth B. Schorr, author of *Within Our Reach: Breaking the Cycle of Disadvantage*, concedes that part of the reason is that "early interventions present the problem of all investments in growth—the dividends come later. Not only does a long time elapse between intervention and payoff, which makes prompt demonstration of effectiveness impossible, but the 'profits' are likely to end up on a different agency's ledger than the expenditure." So, while early education may greatly reduce the chances a child will become involved with crime later in life, the savings in crime expenditures are not reflected in early education projects.

Despite their proven effectiveness, programs that invest in children require a strong partnership between government and the private sector to exercise the political and economic leadership to make addressing the concerns of children a top priority.

Pro: Investment in children's health and education, whatever the cost, is essential on economic and moral grounds.

Con: Investing in children's issues is important, and although there seems to be growing support for these initiatives among business people and politicians, children's issues must compete for scarce resources with other special interests.

Conclusion

There is no question that children today—in every country, at every income level—are at risk. It is equally clear that society can only benefit from helping children to grow up to be healthy, well-educated adults. In the words of former Usaid Administrator Ronald W. Roskens, "Children may only be 25% of the world's population, but they are 100% of its future."

DISCUSSION QUESTIONS

1. Does a child have certain rights, for example, to adequate food, housing and care? If a child's family cannot provide these things, what is the role of government and the international community in providing for such a child?

2. Is the principle of "first call for children" sound? Is it realistic?

3. The U.S. is one of the few countries that has not signed and ratified the Convention on the Rights of the Child. Should the U.S. ratify the convention? If not, why not? By not ratifying, does the U.S. send a signal to the rest of the world about its moral leadership?

4. If children's programs are such good investments, why are they chronically underfunded at the local, state, national and international levels? What can be done to increase funding? Where will the money come from?

5. The percentage of U.S. foreign aid allocated to basic needs and child survival is small. Is an increase in America's interests? What program(s) should be cut to increase the percentage?

6. Only 11% of the families in the U.S. are "traditional," with a breadwinner husband, homemaker wife and children. Yet, unlike most industrialized countries, the U.S. has no national standards regarding parental leave, child care, child support and other areas critical to "nontraditional" families. Why has public policy been slow to reflect the changes in the American family?

7. What lessons from the success of the international child survival revolution—particularly in the areas of preventive care, mass education campaigns and promoting accessible (often home-based) care—could be used to improve the health of children in the U.S.?

8. The National Vaccine Advisory Committee has suggested that the resurgence of measles could be a sign of deep problems with the U.S. health-care system. What are these problems and how can they be addressed?

READINGS AND RESOURCES

Fuchs, Victor R., and Reklis, Diane M., "America's Children: Economic Perspectives and Policy Options." **Science,** January 3, 1992, pp. 41–45. Interesting data on the status of children and suggestions for government policies.

Hewlett, Sylvia Ann, **When the Bough Breaks: The Cost of Neglecting Our Children.** New York, Harper, 1992. 427 pp. $12.00 (paper). Noted economist looks at the problems facing American children at all economic levels and proposes a government/private sector plan to invest in children.

National Commission on Children, **Beyond Rhetoric: A New American Agenda for Children and Families.** Washington, D.C., National Commission on Children, 1991. 519 pp. Free. Looks at American families and children, proposes an agenda for the 1990s, and estimates the funding needed.

"Suffer the Little Children." **Time,** October 8, 1990, pp. 40–48. The plight of America's most disadvantaged minority: its children.

United Nations Children's Fund, **First Call for Children.** 3 UN Plaza, New York, N.Y. 10017, 1990. 75 pp. $1.00. Useful pamphlet that includes the complete text of the Convention on the Rights of the Child and the World Declaration and Plan of Action from the World Summit for Children.

U.S. Agency for International Development, **Child Survival: A Seventh Report to Congress on the Usaid Program.** Washington, D.C., Usaid, April 1992. 80 pp. Free. A complete report on Usaid's child survival programs from 1985 to 1991. Excellent charts on the major regions.

CHILDREN'S DEFENSE FUND, 25 E St., NW, Washington, D.C. 20001; (202) 628-8787. ■ CDF exists to provide a voice for children, particularly poor, minority and disabled children, and to educate the nation about their needs; it also provides information and support to state and local child advocates.

THE CHILDREN'S FOUNDATION, 725 15th St., NW, Suite 505, Washington, D.C. 20005-2109; (202) 347-3300. ■ Provides a voice for children and their families on such issues as welfare reform, federal food aid, health care and housing, affordable child care.

COALITION FOR AMERICA'S CHILDREN, 1710 Rhode Island Ave., NW, 4th Floor, Washington, D.C. 20036; (202) 857-7829. ■ A nonpartisan alliance of major civic and professional groups committed to raising the concerns of children to the top of the country's public policy agenda. The coalition is a project of the M.B. Fund.

DEFENSE FOR CHILDREN INTERNATIONAL-USA, 21 South 13th St., Philadelphia, Pa. 19107; (215) 569-8850. ■ A human-rights organization that advances children's rights in the U.S. and elsewhere and monitors violations; educates public through quarterly newsletter and DCI international journal, **Children's Rights Monitor.**

NATIONAL CENTER FOR CHILDREN IN POVERTY, Columbia University School of Public Health, 154 Haven Ave., New York, N.Y. 10032; (212) 927-8793. ■ The center's goal is to strengthen programs and policies for young children; it identifies successful programs and proposes initiatives to state and local policymakers and professionals.

PARENT ACTION, B & O Building, 2 N. Charles St., Baltimore, Md. 21201; (410) 727-3687. ■ A national nonprofit membership organization, its mission is to improve the quality of life for parents. It provides information and the opportunity to develop networks for mutual support and advocacy.

UNITED NATIONS CHILDREN'S FUND (UNICEF), 3 UN Plaza, New York, N.Y. 10017; (212) 326-7305. ■ A semiautonomous UN organization financed by voluntary contributions, Unicef works with governments in planning and designing child survival and development programs. Offers wide variety of publications.

U.S. COMMITTEE FOR UNICEF, 110 Maryland Ave., NE, Washington, DC 20002; (202) 547-7946. Education Dept., 333 East 38th St., New York, N.Y. 10016; (212) 963-5597. ■ The Washington, D.C., and New York City offices lobby for funding for Unicef. Free catalogue of print materials and videos available for sale and free loan.

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- **LEADERSHIP HANDBOOK...** This FPA guide discusses the need for citizen involvement in foreign policy and includes strategies for establishing and maintaining world affairs programs. A how-to manual as well as a ready reference book. (102 pp., $15.00 plus $3.00 for postage and handling, prepaid.)

- **TELEVISION...** A series of eight half-hour television programs on the 1993 GREAT DECISIONS topics is being coproduced with the Georgetown University School of Foreign Service. The series will present different points of view on each of the topics by recognized experts. Peter F. Krogh, dean of the School of Foreign Service, will anchor the series.

  The first program will be made available to public television stations, via satellite, on February 9, 1993, from 11:00–11:30 A.M. Eastern Time. The remaining seven programs in the series will be offered on consecutive Tuesdays, at the same time. Videotapes of the series will be available from FPA in March 1993. (Set of 8 programs—2 VHS cassettes—$70.00 plus $5.00 postage and handling, prepaid. Also available, Tape 1, with programs 1–4, and Tape 2, with programs 5–8, for $37.00 each plus $3.00 postage and handling, prepaid.) Single programs not available.

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  For the second year, FPA offers audiotapes of the 1993 briefing book. Prepared professionally in cooperation with Knowledge Products of Nashville, Tennessee, a set of eight audiocassettes will be available for purchase. Packaged in a handsome, sturdy case, the cassettes can be used in classrooms, by drivers on their car cassette players, and by members of the general public who prefer to hear this year's topics whenever they have listening time. (Set of eight cassettes, $39.95 plus $4.50 postage and handling, prepaid.)

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Additional resource lists can be found at the end of each topic, with questions for discussion and suggested readings.

AMERICAN ENTERPRISE INSTITUTE FOR PUBLIC POLICY RESEARCH (AEI), 1150 17th St., NW, Washington, D.C. 20036; (202) 862-5800. ■ A private research organization dedicated to "open and competitive private enterprise" and "limited and public-spirited government." Publications: bimonthly journal, **The American Enterprise,** and books.

AMERICAN FRIENDS SERVICE COMMITTEE, 1501 Cherry St., Philadelphia, Pa. 19102; (215) 241-7000. ■ Founded in 1917, AFSC carries out development and education programs worldwide. Publications: bulletins, press releases, pamphlets and books available on most international issues.

AMNESTY INTERNATIONAL U.S.A., 322 Eighth Ave., New York, N.Y. 10001; (212) 807-8400. ■ Winner of the Nobel Peace Prize, AI works for release of prisoners of conscience, fair and prompt trials for political prisoners and the end of torture and executions. Publications: reports on status of human rights around the globe. For classroom materials, call National Student Campaign, (202) 775-5161.

THE BROOKINGS INSTITUTION, Foreign Policy Studies Program, 1775 Massachusetts Ave., NW, Washington, D.C. 20036-2188; (202) 797-6000. ■ Nonprofit research organization publishes studies, books and the quarterly **Brookings Review** to educate the public on policy issues.

CENTER FOR TEACHING INTERNATIONAL RELATIONS, University of Denver, 2201 S. Gaylord St., Denver, Colo. 80208-0268; (303) 871-3106. ■ CTIR offers graduate courses, conducts teacher in-service workshops, publishes curriculum materials, and offers consultation services. For catalogue of publications, call: (303) 871-2164.

EDUCATORS FOR SOCIAL RESPONSIBILITY, 23 Garden St., Cambridge, Mass. 02138; (617) 492-1764. ■ A national educational organization offering programs and curricula to help young people become involved in the global society. Publishes textbooks and handbooks designed for teachers and students emphasizing critical thinking, multiple perspectives, nonviolent conflict resolution, decisionmaking and social responsibility.

FREEDOM HOUSE, 120 Wall St., New York, N.Y. 10005; (212) 514-8040. ■ A clearinghouse and research document center devoted to the cause of freedom. Contact Freedom House for information about publications.

HUMAN RIGHTS WATCH, 485 Fifth Ave., New York, N.Y. 10017-6104; (212) 972-8400. ■ The leading U.S.-based international human-rights organization has five regional divisions: Africa Watch, Americas Watch, Asia Watch, Helsinki Watch and Middle East Watch—plus the Fund for Free Expression. Publishes reports by the various divisions, a catalogue and newsletters.

NATIONAL COUNCIL FOR THE SOCIAL STUDIES, 3501 Newark St., NW, Washington, D.C. 20016-3167; (202) 966-7840. ■ NCSS is a service organization that provides leadership in social studies education; its more than 25,000 members include institutions and elementary, secondary and college teachers.

OVERSEAS DEVELOPMENT COUNCIL (ODC), 1875 Connecticut Ave., NW, Suite 1012, Washington, D.C. 20009; (202) 234-8701. ■ Seeks to increase understanding of development issues and problems of developing countries. Publications include **Policy Focus** series.

PAWSS, Five College Program on Peace and World Security Studies, c/o Hampshire College, Amherst, Mass. 01002; (413) 549-4600. ■ A multidisciplinary education program to stimulate student and faculty interest in the study of critical international issues; develops new courses; sponsors lectures, symposia; publishes resource materials.

SPICE, STANFORD UNIVERSITY PROGRAM ON INTERNATIONAL AND CROSS-CULTURAL EDUCATION, Littlefield Center, Room 14, 300 Lasuen St., Stanford University, Stanford, Calif. 94305-5013; (415) 723-1114. ■ SPICE seeks to improve international and cross-cultural education, K-12. Offers curriculum, staff development programs and materials.

U.S. DEPARTMENT OF STATE, Bureau of Public Affairs, Public Information Service, Washington, D.C. 20520; (202) 647-6575. ■ The Department of State can supply information on almost any issue or geographical area. Publications: weekly **U.S. Department of State Dispatch** and others.

UNITED STATES INSTITUTE OF PEACE, 1550 M St., NW, 7th Floor, Washington, D.C. 20005-1708; (202) 429-3834. ■ An independent government organization created by Congress to promote research, education and training on international peace and conflict management, the institute has a variety of educational materials available free of charge, including a bimonthly newsletter. For list, contact Office of Public Affairs & Information.

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OPINION BALLOT 1992 RESULTS*

TOPIC 1: U.S. AGENDA

Issue A. The principal international role of the U.S. should be to:

Take the lead in solving global problems.	7%
Work through organizations such as the UN to solve global problems.	81%
Participate in solving international problems only when they affect Americans directly.	7%

Issue B. The domestic policy priority of the U.S. should be to: (Readers were asked to rank the following in order of importance.)

Hone its competitive edge in the global economy.	10%
Address social problems (education, health, crime).	40%
Stimulate the economy.	22%
Reduce the budget deficit.	20%
Maintain its military strength.	2%

TOPIC 2: MIDEAST PEACE PROSPECTS

Issue A. The most serious obstacles to a peace settlement between Israel and the Palestinians are:

Irreconcilable demands by both sides.	61%
Israeli demands.	23%
Palestinian demands.	6%
Arab states' involvement.	6%

Issue B. With regard to the economic embargo of Iraq:

The U.S. should lift the embargo of Iraq now.	8%
The U.S. should lift the embargo only after Iraq complies with all relevant UN resolutions, including disclosure of all weapons and related research.	65%
The U.S. should maintain the embargo as long as Saddam Hussein is in power, even if Iraq complies with the UN resolutions.	18%

Issue C. Do you approve or disapprove of President Bush's handling of the issue of settlements in the occupied territories?

Approve	53%
Disapprove	32%

Issue D. What priority should the U.S. give the Middle East on its diplomatic agenda?

The Middle East should get higher priority.	14%
The Middle East should get the same priority it now has.	59%
The Middle East should get lower priority.	15%

Note: These and all other percentages reported below may not add up to 100 because some participants did not mark particular ballots or volunteered other responses not tabulated here.

TOPIC 3: REFUGEE CRISIS

Issue A. Regarding the issue of forcible repatriation, do you agree or disagree with the following statements:

	AGREE	AGREE WITH RESERVATIONS	DISAGREE	DISAGREE WITH RESERVATIONS
The U.S. should continue the forcible return of Haitians to Haiti.	28%	33%	21%	14%
The U.S. should treat all migrants the way it treats Cubans: those who make it to the U.S. should be allowed to stay.	9%	22%	29%	36%
The U.S. should offer to resettle Vietnamese currently in camps in Hong Kong in the U.S.	8%	23%	25%	39%

Issue B. Do you agree or disagree with the following statements regarding U.S. policy on admitting refugees?

	AGREE	AGREE WITH RESERVATIONS	DISAGREE	DISAGREE WITH RESERVATIONS
The U.S. should continue to distinguish between refugees from political persecution and those fleeing economic hardship.	40%	27%	12%	9%
The U.S. should not broaden the definition of refugees to allow more into the U.S.	40%	21%	15%	11%
The U.S. should be less strict about requirements that refugees prove "fear of persecution."	18%	24%	18%	27%

TOPIC 4: LATIN AMERICA

Issue A. What U.S. policies would contribute most to the economic development of Latin America?

Strengthening regional cooperation and consultation.	40%
Promoting trade through the Enterprise for the Americas Initiative and the North American free-trade agreement.	40%
Encouraging private investment.	10%
Increasing debt relief.	5%
Increasing aid.	1%

Issue B. With regard to the North American free-trade agreement with Mexico, the U.S. should:

	YES	NO
Support the agreement unconditionally.	25%	57%
Condition support on Mexico's enforcement of environmental laws.	66%	14%
Condition support on Mexico's protection of human rights.	62%	16%
Condition support on Mexico's holding of free, fair elections.	53%	24%
Break off negotiations.	2%	72%

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TOPIC 5: RX FOR PLANET EARTH

Issue A. With regard to the environmental policies of developing countries, the U.S. should:

	AGREE	AGREE WITH RESERVATIONS	DISAGREE	DISAGREE WITH RESERVATIONS
Continue present policies and current levels of aid to developing countries.	15%	39%	21%	16%
Increase aid targeted for the environment because without it developing countries cannot afford environmental safeguards.	40%	34%	12%	7%
Redirect aid targeted for the environment to development.	10%	17%	23%	39%
Respect developing countries' rights to decide how to balance their development needs with environmental protection and accept their priorities.	20%	42%	22%	10%
Condition development aid on the implementation of sound environmental policies.	53%	31%	6%	3%

Issue B. How would you rate the Bush Administration's record on preserving biodiversity and natural habitats?

Excellent	1%
Good	10%
Fair	34%
Poor	45%

Issue C. What action should Congress take regarding the Endangered Species Act when it comes up for reauthorization?

Amend the act to make it more effective in protecting species.	50%
Amend the act in favor of growth and development, which are hurt by costly environmental constraints.	15%
Reauthorize the act unchanged.	19%

TOPIC 6: SUB-SAHARAN AFRICA

Issue A. What approach should the U.S. take with regard to aid to sub-Saharan Africa?

	YES	NO
Increase economic aid.	26%	54%
Condition aid on economic reforms because economic growth is a precondition for democracy.	62%	23%
Condition aid on political reforms because without democracy economic growth will falter. →	48%	34%
Maintain present levels and distribution of aid.	29%	47%
Eliminate all but emergency humanitarian aid.	27%	54%

Issue B. What approach should the U.S. take toward economic sanctions against South Africa?

Lift remaining sanctions now.	22%
Lift remaining sanctions gradually.	43%
Maintain sanctions until there is universal suffrage.	22%

TOPIC 7: AIDS PANDEMIC

Issue A. Do you agree or disagree with the following statements?

	AGREE	AGREE WITH RESERVATIONS	DISAGREE	DISAGREE WITH RESERVATIONS
The Administration is not doing enough to fight AIDS.	34%	23%	18%	20%
Congress should increase funding to fight AIDS overseas.	15%	27%	24%	28%
Individual responsibility, not government action, is the key to controlling the epidemic.	39%	32%	14%	11%
Preoccupation with the epidemic is diverting attention from other problems threatening developing nations.	29%	33%	16%	15%

Issue B. What position should the U.S. take on allowing entry of foreigners infected with HIV?

The U.S. should exclude everyone who tests positive.	38%
The U.S. should permit those infected with HIV temporary visits but not permanent residence.	38%
The U.S. should remove restrictions on those who test positive for HIV.	10%

TOPIC 8: SOVIET BREAKUP

Issue A. What economic policies should the U.S. adopt to help the Soviet people?

The U.S. should enlist other countries' support for a Marshall Plan to provide economic assistance, development loans and technical advice for the transition to a free-market system.	59%
The U.S. should supply emergency food relief and encourage private enterprise but be wary of granting other financial aid.	32%
The U.S. should not supply aid.	1%

Issue B. How can the U.S. encourage peace and stability in the disintegrating Soviet Union?

The U.S. should use its influence to act as an "honest broker," encouraging the Soviet people to resolve disputes, control arms and pursue democracy and economic reforms.	40%
The U.S. should let the UN and regional organizations deal with arms control, ethnic rivalry and other problems facing the Soviet people.	51%

** Results of 40,401 ballots received as of June 30 and tabulated by Calculogic Corporation of New York City.*

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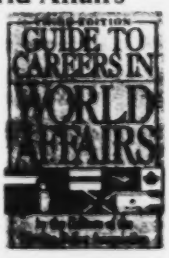

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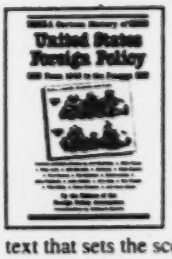

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Introduction

According to many political pundits who have analyzed the 1992 presidential campaign, one of the basic issues was the need for change. This theme was advanced by the major candidates in one forum after another. Though the call for change is not new in American politics, this campaign was unusual because so many Americans focused so intently on it. Many who had never cared much about politics before wanted to know about the changes occurring in the world and in the U.S.

Over two thirds of people surveyed during the presidential campaign stated that the U.S. was headed in "the wrong direction." This consistent, year-long statement of concern can form the framework for your approach to discussions about how the U.S. manages its domestic affairs and conducts its foreign relations. People obviously care. Whether they are reacting to social pressures and stresses as a result of newly perceived economic realities, such as the export of American jobs abroad, or whether they are puzzled or fearful about reports of a general threat to the earth's environment or the spread of what appears to be universal malignant social conditions or terrifying diseases, more Americans appear to be wondering what, exactly, is going on. They are asking what is happening to the nation. Is it in decline? Where are we headed as a nation and as a people? What, if anything, have we lost or gained? There has also been a great deal of questioning about the world. What is happening to it? Where is it headed? Is it stumbling toward universal chaos and anarchy? What has been lost?

These questions are difficult to answer. Not only were they part of the intellectual underpinnings of the recent election in the U.S., they are part of the economic, political and social considerations of millions of persons around the world. People are increasingly aware of the need for new ideas or approaches in making individual or collective decisions about matters of employment, business, government, communications, health, technology, recreation, even survival.

We are part of a global society where power and influence, trade and commerce, agreements and disagreements—even cultural values and cultural norms—must be reevaluated and, perhaps, restructured. In almost every society questions are raised about issues from the past and present and how they relate to what lies ahead. Many economic, political and social institutions and models are being overwhelmed by seemingly relentless forces that require reflection, reassessment and change.

We believe that this theme can serve as a unifying approach to the topics in *Great Decisions 1993* briefing book. If you approach the future of Europe, the Central Asian republics, NAFTA, China, India and Pakistan, the United Nations, the U.S. and the future of the earth's children with this in mind, you and your discussion group will have an opportunity to reflect on the phenomenal ways that global affairs have been influenced by the twists and turns of new situations and new parameters, where the diffusion of power and influence and the interdependence of most parties have become the rule in world affairs. You will be challenging Americans to think about change in a way that will serve the needs of the nation and its ideals.

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U.S. in a new world: what goals? what priorities?

- *How are social, economic and political changes affecting the course of events in today's world?*
- *What new challenges does the U.S. face at home and abroad in a rapidly changing world?*
- *What ideas and assumptions should the U.S. embrace in order to initiate and effectively manage needed changes in the coming century?*

ARTICLE SUMMARY

THE end of the cold war has coincided with a sea change in global affairs that will have profound effects on how the U.S. conducts foreign and domestic policy in the 21st century. The revolution in telecommunications has radically changed global trade and politics, invalidating many traditional concepts of national sovereignty. An increasingly integrated world economy has brought prosperity to many people, but integration has also exacerbated old problems, including the proliferation of weapons and illegal drugs, the spread of AIDS and other diseases, pollution and other threats to the environment. Some analysts maintain that solving transnational problems will require greater international cooperation. Others argue that America can most effectively act alone. Still others say a combination of both approaches would be best. As the 20th century draws to a close, few would argue that the nation can afford to turn away from foreign affairs. What role, then, should the U.S. play in international affairs? How do America's domestic problems and the policies aimed at solving them relate to its place in the world? What priorities should Washington establish in trying to solve the problems America shares with the rest of the world?

ACTIVITY ONE

Overview

During the last 10 years, the world has been going through a period of profound and unsettling change. The cold war, featuring almost a half century of familiar alignments and conflicts, ended dramatically in 1989; ethnic tensions and civil strife have erupted or threaten to engulf areas that were seemingly immune; new, difficult problems, such as the increasing numbers of immigrants and refugees, an AIDS pandemic and world-threatening environmental issues, have joined hunger, international narcotics trafficking and the dangerous arms trade to imperil peace and stability around the world. Some nations once considered among the very poor are displaying tremendous growth and are moving toward economic equity with some of the richer nations; innovations in technology and communications are changing the methods of gaining or controlling wealth, power and information; even the very nature of sovereignty is undergoing revision.

The U.S. has not been immune to these changes. Having triumphed in the long battle with international communism, Americans should feel euphoric and

proud, but their mood seems to be one of powerlessness. Experts point to slackening economic growth, rising public and private debt, unemployment, high crime rates and drug and alcohol abuse as problems that Americans feel they are unable to control. Many, shocked by the profound effect of the troubles connected with the Rodney King affair, have a sense of restlessness and uneasiness for the future. Large numbers of Americans question who they are and what, exactly, they are about.

Many analysts claim that conditions in the U.S. are not as bad as they seem. They agree that the world is changing rapidly and that the U.S. does have difficulties. They also believe that Americans must change their way of thinking and begin to formulate new ideas about solving problems and dealing with changing world conditions. They hold that the U.S. must reshape and reenergize itself while, at the same time, it must look to the future with new attitudes and a new vision.

What actions should the U.S. take to deal with the difficult problems we face as a nation? How can the U.S. remain competitive in a rapidly changing world? Can the U.S. change direction and rearrange its priorities?

Objectives

Upon completion, participants will be able to:

1. Understand the ideas and conditions that have caused the world to undergo rapid changes in recent times.

2. Describe why the U.S., as the world's only military superpower, seems powerless in dealing with doubts and problems at home.

3. Discuss what the U.S. needs to do in order to manage its problems and face the world.

Materials

Chalkboard, chalk

Time

Approximately 45 minutes

Procedures

Begin by asking the participants what effect they think the frequent polls published during the 1992 presidential campaign had on the election. Get them to list what they think were the major issues or ideas that the polls indicated or supported. Then ask them if they have ever heard of the consistent survey results, gathered for a year before the election, that indicated two thirds of the American people believed that the U.S. was "heading in the wrong direction." Ask them what all this will mean for the U.S. in the future.

Make a chart on the chalkboard that contains the headings "Problems," "Causes" and "Solutions" at the top. Then ask the participants to prepare a list of the major problems that they believe are leading us "in the wrong direction." Ask them to rank the problems from the most severe to the least severe and write them in the space provided on the chalkboard. Get them to state whether each problem is primarily domestic or foreign in origin, and to give the ideology behind the problem.

Turn the discussion to a search for solutions to some of the problems. After you have listed all the proposed changes on the chalkboard, point out to the participants how it is easier to change people's actions than it is to change their thoughts or feelings. Ask them what ideas, thoughts or feelings of the American people have to be changed in order for them to become buoyant and forward looking. End the discussion by asking them why they believe that the Americans will respond to these ideas and if they believe implementing the changes is possible. Remind the participants how the U.S. has always regarded itself as a unique nation that periodically "reinvents" itself. Ask them if this quality could play a major role in the success of the endeavor.

ACTIVITY TWO

Overview

As the U.S. adjusts and prepares to face challenges at home and abroad into the 21st century, questions have arisen about its proper role in the world. One issue is the question whether the U.S. should reorder its priorities in order to begin solving some of its more difficult problems, including becoming more competitive. Throughout our history Americans have debated and

divided over the proper place and role for the U.S. in the world. Due to changes in size, strength, development and power, as well as the vagaries of world events and movements, each of the basic positions in this debate has served as a rationale for the management of a crisis or event in our foreign affairs. The question arises as to which of three approaches, internationalism, realism or neo-isolationism—or some combination—will best serve the U.S. in the future.

What new ideas and information do we need in order to make progress? get along? succeed? How shall we approach today's world? What role shall the U.S. play in the world?

Objectives

Upon completion, participants will be able to:

1. Define the basic interests of the U.S. in a changing world, and analyze them.

2. Compare and evaluate possible ways the U.S. should approach the world in order to protect its interests.

Materials

Handout on the U.S. (page 36), chalkboard, chalk

Time

Approximately 45 minutes

Procedures

Tell the participants that they must advise the State Department on how the U.S. should conduct its foreign affairs. Divide the participants into three groups, neo-isolationists, internationalists and realists. Distribute the **Handout on the U.S.** and ask each group to defend its position—as well as criticize the other two positions. Allow about 15 minutes for them to complete this task.

Bring them back together and, outlining their responses on the chalkboard, ask each group to summarize its approach for the U.S. to deal with the problems they feel need to be addressed in today's world. Ask them why they feel their approach will be successful.

After they have finished, ask all the participants which approach the U.S. should adopt. Get them to compare the strengths and weaknesses of each approach. Be sure to also ask them if it may be necessary to modify or combine approaches in order to achieve success. Try to get them to agree on the problems—or sets of problems—in order for them to decide which approach may be best.

End the discussion by asking them what needs to be done in the U.S. in order to get the American people to think about the changing nature of the world, and what will be required in order for the U.S. to begin to move toward solutions to its problems in an open and democratic way.

GLOSSARY

- **AIDS pandemic.** Refers to the outbreak of AIDS occuring in a large geographic area and afflicting a large number of people.
- **capital.** Accumulated goods devoted to the production of other goods; accumulated possessions calculated to bring in income.
- **European Community (EC).** A European economic union created by the Treaty of Rome in 1957 that eliminated internal barriers to trade. The six original members were Belgium, France, Italy, Luxembourg, the Netherlands and West Germany. Since then, Britain, Ireland, Denmark, Greece, Spain and Portugal have joined. The goal of the EC remains full economic and monetary union.
- **Group of Seven (G-7).** The seven most economically developed countries of the world: the U.S., the United Kingdom, France, Canada, Italy, Germany and Japan. The heads of state of these countries meet at yearly summits to discuss international economic and monetary developments as well as a wider range of issues, such as terrorism and arms control. These summits are also attended by the president of the European Community Council of Ministers.
- **Gulag.** Labor camp for political prisoners, from the Russian abbreviation for Main Administration for Corrective Labor Camps.
- **International Monetary Fund (IMF).** Founded in 1944, the IMF is an international agency based in Washington, DC. It helps maintain stable exchange rates and acts as a lender of last resort to countries with serious debt problems. In return for IMF loans, countries are usually required to make economic reforms and undertake austerity programs. The IMF is controlled by the U.S. and other major Western powers and is closely associated with the World Bank.
- **laissez faire.** This 18th century term was developed by Adam Smith as a rule of practical economic conduct. It calls for a loosening of restrictions on economic activity in order that the individual may productively follow his own self-interest. A supporter of laissez faire opposes government intervention in the economy.
- **League of Nations.** An international arbitration and peacekeeping organization established in 1919 in the aftermath of World War I. The U.S. Senate refused to approve U.S. participation in the League. It was dissolved in 1946, and its functions were taken up by the United Nations.
- **Lenin, Vladimir Ilich Ulyanov.** Founder and leader of the Russian Bolshevik party, he devised the strategy for the seizure of power in the October 1917 revolution. He became the founder and leader of the Soviet Union.
- **Marx, Karl.** A German economist and political theorist from whom the movement known as Marxism is derived. Marx's *Communist Manifesto* (1848), coauthored with Friedrich Engels, outlines his ideas on the fate of the working class. He maintained that history consisted of a series of class struggles that would culminate in victory for the working class.
- **multilateral organizations.** Agencies with more than two member nations.
- **North Atlantic Treaty Organization (NATO).** Military alliance created in 1949 linking the U.S., Canada, Belgium, Britain, France, Luxembourg, the Netherlands, Norway, Denmark, Iceland, Italy and Portugal. Since then, Greece, Spain, Turkey and Germany have been admitted to the alliance. It was created to defend the North Atlantic allies against potential Communist aggression.
- **Pax Americana.** Peace guaranteed by U.S. superpower status. America's overwhelming military superiority makes it less likely that any nation will challenge Washington, or launch a major war involving several countries.
- **protectionism.** Tariffs, nontariff barriers or quotas imposed for the purpose of limiting imports and protecting domestic industry, agriculture and jobs.
- **putsch.** An attempt by a group to overthrow a government.
- **realpolitik.** Practical politics; a pragmatic or realistic approach to international politics based on political realities or on the realities of national interest, as distinguished from moralistic, ethical or theoretical objectives.
- **Third World.** Economically less-developed nations of the world, most of which gained independence after World War II, as distinguished from the First World (U.S. and other countries with free-market economies) and the Second World (the former Soviet Union and other former Comunist-bloc countries).
- **World Bank.** A UN agency closely associated with the IMF. The World Bank was established in 1944 to make low-interest loans to developing nations for economic development projects such as highways and dams. Officially known as the International Bank for Reconstruction and Development (IBRD), it is the largest international lending agency of its kind and disburses about $15 billion annually.

United Nations: what role in the new world?

- *How does the United Nations maintain peace and deal with problems around the world?*
- *How successful has the UN been as a peacekeeper in the past?*
- *Will the UN play a greater peacekeeping role in the post-cold war era?*
- *Should the U.S. support or oppose a greater role for the UN in maintaining the peace?*

ARTICLE SUMMARY

The collapse of communism in Eastern Europe and the U.S.S.R. and the end of the U.S.-Soviet rivalry have given the UN a new lease on life. For many years disagreements between the superpowers had paralyzed the world organization, which was founded in 1945 "to maintain international peace and security," and to that end "to take effective collective measures" to remove threats to the peace. In the wake of the cold war, the UN's members have greatly expanded the organization's peacemaking and peacekeeping roles. UN mediators and "blue helmets" are active in trouble spots around the globe, from Sarajevo to Phonm Penh to Mogadishu. This article looks at three levels of UN activity: peace building, peacekeeping and peace enforcement. It explains who pays (or does not pay) the bill, and it looks ahead: How effective are the UN's efforts? As presently constituted, can the UN be entrusted with the principal responsibility for collective security? If multilateralism is not the answer, what are the alternatives?

ACTIVITY

Overview

Some people, when they hear references to the UN today, feel a certain unease. This may be due in part to idealistic expectations that have been disappointed and in part to uncertainty about what the future holds for the multilateral organization and for the world in general.

Created at the end of World War II, the UN quickly became one of the battlegrounds in the cold war, but it has managed to survive. In spite of obstructionist moves and countermoves by some of its members, including boycotts, threats of abandonment, and refusals to pay dues, the UN played a valuable role in helping to resolve several major disputes.

The recent successful war against Saddam Hussein in the Persian Gulf has been hailed as a striking example of how the world community can act together to deter aggression. Experts claim the circumstances and the response were exceptional. The stakes—preserving access to the world's petroleum—were high. Moreover, without U.S. technology and the commitment of its armed forces, the war might have been lost. Little enthusiasm, however, has emerged for any kind of collective response to the horrifying events in Yugoslavia. As critics point out, "there is no oil in Yugoslavia." The situation in this country is but one example of the kind of civil and ethnic strife that has characterized the post-cold war world.

What means are available to the UN to help preserve the peace? How can the UN build on past

successes? What new approaches are needed to help the UN adjust to a changing world order? What kind of role does the U.S. want the UN to play in maintaining the peace?

Objectives

Upon completion, participants will be able to:

1. Describe how the UN seeks to maintain peace and deals with global affairs.
2. Describe how the UN has helped to deal with global issues in the past.
3. Discuss and evaluate possible roles for the UN in the future.
4. Determine how the U.S. should assist the UN in defining its future role.

Materials

Handout on the United Nations (page 37), chalkboard, chalk

Time

Approximately 45 minutes

Procedures

Give the participants the **Handout on the United Nations** and allow them about 15 minutes to fill in the information. After they have finished the handout bring them together and ask them what they believe is the status of the UN today concerning matters of peace building, peacekeeping and peace enforcement. Ask them if they believe the organization has been a success or a failure to date and be sure to ask them to give the reasons for their opinions. Get them to cite examples of events or actions involving the UN that support their ideas.

Turn the discussion to today's global problems. Ask the participants to discuss the problems they have listed and to explain why they believe these problems present the greatest threats to the world. List these problems on the chalkboard and, after discussion is completed, get the participants to rank the problems from the greatest to the least threat to the peace and security of the world.

Ask the participants to determine how the UN could and should be able to assist in attempting to solve these problems. Then ask them what changes or conditions would have to be met if the UN were to take a more active role in these matters. Ask them how this could occur. In matters of peace enforcement, be sure to ask if the UN should have a standing army and, if so, how this army would be constituted. End the discussion by asking what role the U.S. should play in aiding or assisting the UN to deal with matters such as these. Ask them if the U.S., as the world's only military superpower, should "go it alone" in these matters. Ask them to determine what they believe would be the greatest danger for the U.S. if it chooses to act unilaterally. Close by asking them to summarize what they believe to be the greatest challenges facing the UN and whether they believe the organization is capable of meeting those challenges.

GLOSSARY

- **Amin, Idi.** President of Uganda 1971-1979. After seizing control of the government, he led a harsh and brutal regime. He was forced into exile in 1979.
- **Chamberlain, Neville.** British prime minister 1937-1940. Followed a policy of "appeasement" toward Nazi Germany that resulted in the Munich Pact of 1938.
- **Charter.** The United Nations officially came into existence on October 24, 1945 with the ratification of the UN Charter by China, France, the Soviet Union, the United Kingdom, the U.S. and a majority of other UN members. The Charter is the official document explaining the mission and principles of the UN.
- **Churchill, Sir Winston.** British prime minister 1940-1945. Famous statesman and author. Churchill skillfully led Britain to victory during World War II, only to be voted out of office in 1945. Awarded Nobel Prize in Literature in 1953.
- **Covenant of the League of Nations.** The Covenant was the basis for the League of Nations, a former international organization formed after World War I and the forerunner of the UN. The Covenant provided for an assembly, a council and a secretariat.
- **General Assembly.** The supreme legislative body of the UN, composed of representatives from each of the 179 member states. The UN General Assembly makes recommendations to the Security Council on the basis of majority rule. The Third World has the largest number of votes in the General Assembly.
- **Gorbachev, Mikhail S.** See Glossary, Topic 4.
- **guerrillas.** Members of highly mobile, independent bands whose war tactics are based on harassment, sabotage and surprise attacks.
- **Khmer Rouge.** See Glossary, Topic 4.
- **Nobel Peace Prize.** International prize awarded annually by the Nobel Foundation in Stockholm, for the promotion of peace.
- **North Atlantic Treaty Organization (NATO).** See Glossary, Topic 1.
- **secretary-general.** Head of the Secretariat, the main UN administrative body. The secretary-general normally serves a five-year term and is authorized to bring situations to the attention of various UN organs.
- **Security Council.** The UN's executive organ deals with threats to the peace and has the power to enforce its decisions. Its 15 members are divided between permanent members (France, People's Republic of China, Russia, United Kingdom, U.S.) and 10 other nations elected for 2-year terms. The permanent members have the power to veto council decisions.
- **Third World.** See Glossary, Topic 1.
- **Wilson Woodrow.** President of the U.S. (1913-1921). Participated in the peace conference ending World War I. Pushed for the League of Nations Covenant to be included as an integral part of the peace treaty. Despite all attempts at bringing the U.S. into the League of Nations, the U.S. Senate refused to ratify the treaty.

Germany's role: in Europe? in the North Atlantic?

- *What problems have occurred as Europe moves toward unity?*
- *What role will a recently reunited Germany play in the new Europe?*
- *How should the U.S. respond to recent events in Germany and in Europe?*

ARTICLE SUMMARY

TODAY, nearly 50 years after it lay in ruins at the end of the most destructive war in world history, Germany is the most powerful nation in Europe and one of the world's three greatest economic powers. Many see it as the centerpiece of a newly integrated European Community; Russians and other East Europeans look to it for political stability and economic aid. Yet Germany is beset by internal problems. Its economy has been drained by the tremendous cost of absorbing the five states that made up East Germany. Reunification has brought with it social upheaval. The most liberal immigration policies in the world have fed ethnic rivalries that exploded into rioting this fall, mostly by unemployed young people who were often egged on by neo-Nazis and other far-right groups. Many observers say these pressures will dissipate as the East grows more prosperous. Others fear that they are yet another symptom of the rising ethnic tensions in post-cold war Europe. The U.S. supports a greater political role for Germany in the new Europe. President George Bush has said he sees the U.S. and Germany as "partners in leadership," forging a "new world order" based on democracy and free trade. Nevertheless, many Americans and Europeans are wary of Germany's growing power. Some analysts hope that Germany will be firmly anchored in a new Europe, united under one political and economic system spelled out in the 1992 Maastricht treaty. Others point out that support for the Treaty on European Union is lukewarm. If it fails to take hold, they say, future peace and prosperity for Germany, and for Europe in general, will be jeopardized.

ACTIVITY

Overview

What role will Germany play in the future of Europe? As the most powerful nation in the region, Germany embodies the best hopes and the greatest fears for the area. The power and strength of this nation, which rose from the defeat and destruction of World War II, offers inspiration and example for many countries throughout the world.

Recent events in Germany and in Europe have caused many to have second thoughts about the creation of a European Community. For 40 years the U.S. has pushed for this goal. However, with the end of the cold war and the declining role of the U.S. in Europe, economic, cultural and political issues have risen that have created doubts and hesitancy on both sides of the

Atlantic. Germany is at the center of these issues. It has sought to adjust to the high costs of reunification by adopting economic measures that have sparked European currency conflicts. It has pushed for a greater role in the European Parliament, in conflict with the British and the French, and has sought to elevate the German language to parity with English and French.

Perhaps the most vivid issue has been the social unrest now evident, as right-wing extremists and neo-Nazis have taken to the streets and begun to attack foreigners and refugees. Many of these rioters are the young unemployed who are caught in the economic and social upheaval brought on by the costly process of absorbing East Germany. Although some feel that this problem will eventually fade, it is still a reminder of the ethnic tensions that have gripped Europe in the wake of the cold war.

How will Germany manage the domestic problems created by reunification at home? How will Germany's problems affect the unification of Europe? What does the future hold for Germany and the European Community? What kind of relationship will the U.S. have with Germany, Europe and the European Community in the future?

Objectives

Upon completion, participants will be able to:

1. Describe how Europe is moving to unification.
2. Explain why Germany is playing a leading role in the drive toward European unification.
3. Describe the social and economic difficulties Germany faces since its reunification and the effects on Europe.
4. Analyze the factors that the U.S. must consider in order to determine its proper role in the future of Europe.

Materials

Chalkboard, chalk

Time

Approximately 45 minutes

Procedures

Begin the discussion by asking the group what the expression "the enemy of my enemy is my friend" means. Ask participants if this is a good rule for the conduct of U.S. foreign policy. Make a four-column chart on the chalkboard. Label the first three columns "United States," "Germany" and the "Soviet Union (Russia)." Make three time periods in the rightmost column, "1941-1945," "1945-1990" and "1990-," in order to record the main ideas expressed about each nation for the time periods. Briefly describe the World War II alliance between the U.S. and the Soviet Union against Germany. Ask the group what the goals of the three nations were during this time. Explore the reasons why the U.S. joined the U.S.S.R. against Germany. Move the discussion to the cold war period. Explain the division of Germany and U.S. attempts to protect Western Europe and assist in its economic recovery. Ask the participants to explain the reasons for these policies. Ask them if they believe these were good policies for the U.S. to pursue, and why. Then turn the discussion to the end of the cold war. Describe the recent unification of Germany and the collapse of the Soviet Union. Ask the participants what major changes have occurred in Germany and Russia since these events.

Point out that some regard Germany—and a united Europe—as a serious economic threat to the U.S. Get them to discuss the economic progress of Germany and whether or not they believe that the European Community poses a serious economic challenge to the U.S. Ask them if they believe that this is sufficient reason to regard Germany as an economic "enemy." Describe how the U.S. has been a leading force in Europe since World War II. Ask them what they think should be the future role of the U.S. in Europe, given the rise of Germany and the effects of its problems and status on Europe today. Ask them whether or not U.S.-German relations should determine how the U.S. deals with Russian and Eastern European problems and affairs in the future. End the discussion by asking the participants what common ground or goals the U.S. shares with Germany that should form the basis of our relationship with it and with Europe in the future.

GLOSSARY

- **Bismarck.** The first chancellor of the German Empire, the Prussian Count Otto von Bismarck unified some 39 sovereign states into a Federated Germany. He opposed Austrian predominance and advocated the consolidation of the German people under Prussian leadership.

- **Bundesbank.** The national bank of Germany, the Bundesbank will probably serve as the model for the central European bank to be established by the EC presumably by the end of the decade. Historically, the Bundesbank, using strict fiscal discipline, has striven to maintain a low inflation rate.

- **Conference on Security and Cooperation in Europe (CSCE).** Founded in Helsinki, Finland, in 1972, the CSCE includes the U.S., Canada and all the European nations. CSCE's Final Act, which calls for the promotion of human fights and political freedom and renounces the use of force in changing national borders, was signed by 35 nations in 1975.

- **economic nationalism.** Nationalism refers to loyalty and devotion to a nation. Economic nationalism means purchasing the products produced by your country in order to support its economy, while at the same time avoiding products of other nations

- **European Community.** See Glossary, Topic 1.

- **free-market democracy.** An economy that operates by free competition.

- **German Democratic Republic.** The official name of East Germany before reunification with West Germany in 1990.

- **gross national product (GNP).** The total value of a nation's goods and services, including government expenditures and investment abroad. This is measured usually during a period of one year.

- **Group of Seven (G-7).** See Glossary, Topic 1.

- **hegemony.** Leadership or dominance, especially of one nation over another or group of others.

- **holding company.** A company whose primary business is holding a controlling (majority) interest in the securities (properties) of other companies. In this case it refers to an attempt to alter old Communist institutions so they will be competitive with newer systems.

- **Maastricht treaty.** A treaty to complete the European Community's economic integration by establishing a single currency and a central bank. The treaty also calls for closer political integration, through common foreign and security policies. For this to take effect, the treaty must be ratified by a majority of citizens in each of the 12 member states.

- **Marshall Plan.** Named for Secretary of State George C. Marshall, the plan is shorthand for the four-year European recovery program (1948-1952), which was initiated and financed by the U.S. to rebuild the war-damaged economies of Europe, particularly industry, agriculture and transportation.

- **Nazi.** Short for the National Socialist Workers Party, which assumed power in Germany 1933-1945. Led by Adolf Hitler, the Nazis professed extreme nationalism, achieving ethnic purity and the need for territorial expansion.

- **North Atlantic Treaty Organization (NATO).** See Glossary, Topic 1.

- **privitization.** The sale of government-owned enterprises such as railroads, telephone companies, steel mills, sugar refineries, shipping lines and airlines to the private sector. The trend in recent years has been for Third World governments to sell state industries to private investors in the hope of making the industries more efficient and profitable.

- **protectionism.** See Glossary, Topic 1.

- **Social Democrat.** One who holds a democratic ideology espousing some ideals similar to those of a socialist system. In this manner, the ideals of freedom and democracy are combined with those of equality and access for all.

- **supranational government.** A government with authority that transcends national boundaries. An example of this could be a European Community that operates with common and unified economic, foreign and defense policies. This could result in a United States of Europe."

- **totalitarianism.** The term is used to describe a common feature of Communist and fascist states, notably the role of the ruling party or state leadership as the sole source of authority and initiator of change.

- **Warsaw Pact.** The East European military counterpart to NATO, organized by the U.S.S.R. in 1955. Its members included Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Romania and the U.S.S.R. The pact was dissolved by Mikhail Gorbachev after the fall of the Berlin Wall in 1989.

- **Wehrmacht.** German term used to describe the German army in World War II.

China: new reforms, old politics?

- *Will China open to the future or retreat to the past in order to deal with its conditions and problems?*
- *How will competing forces in China resolve their differences?*
- *How should the U.S. approach China in the post-Tiananmen Square period? What goals should the U.S. strive to achieve?*

ARTICLE SUMMARY

CHINA is in the midst of a political and economic transition that is often oversimplified in the West as a struggle between hard-line Communists and proponents of democracy and "free-market reform." In reality, the situation is far more complex. China's top leadership is divided. Deng Xiaoping, the country's aging leader, is determined to preserve political stability through the primacy of the Communist party. However, the country is being pulled in different directions, and control over its vast governing bureaucracy is uncertain. Free-market reforms continue to improve the lives of people, particularly in the "special economic zones," but conservatives fear they will lose the gains brought by communism. China's political and economic future has great ramifications for this country. Americans are divided on the issue of U.S. relations with the world's largest surviving Communist power. Some want Washington to pressure the Communists to end human-rights abuses and the sale of nuclear technology. Others argue that such pressure would only isolate China. They favor a pragmatic approach that allows the U.S. to keep lines of communication open with Beijing but also encourages the Chinese to develop capitalism "through the backdoor."

ACTIVITY ONE

Overview

China presents unique opportunities and challenges in the "new world order." Since the beginning of the 20th century the U.S. has been fascinated or repelled by events and leaders in China. Relations between the two nations have oscillated between hostility and cooperation. What is there about China that inspires apprehension and dread, inspiration and hope among its present friends, supporters and critics? The Communist regime in China, ruling more than a fifth of the world's population, has managed to improve the living standards of its people, providing them with more food, better healthcare and longer, more productive lives free of serious ethnic strife. Innovations and reforms have been introduced to the socialist system, and capitalism has been ushered in through the back door. Plans and actions to convert state enterprises to the private sector, decontrol prices and privatize housing have been introduced; special economic zones have fostered spectacular economic growth and development; expanding international business interests and increasing use of scientific knowledge and Western technology have contributed to the enrichment of

millions of lives. These changes have not come about without protest and resentment among ordinary people: the "iron rice bowl" has been broken; higher living costs, layoffs, lack of housing security, corruption and graft have created dislocations and discontent among people who are afraid of or are being left behind. Economic reforms have not been accompanied by political liberalization, and Chinese in many walks of life question the proper role of the state and the Communist party for the future development of the society.

The situation is further complicated by the nature of the Communist leadership. Three groups vie for control of China's destiny: antireformers, often elderly hard-liners who preach self-reliance, fear a loss of governmental control that could lead to the destruction of communism; reformers want to push ahead with new economic models in an evolving society; and centrists seek to maintain order, progress and stability between the two competing forces. This struggle is colored by age, ideology, socioeconomic position and geographic location. It is also affected by the practical, international concerns and pressures regarding arms trading, nuclear proliferation and international trade among the friends and enemies of China in the global community.

What does the future hold for the People's Republic of China? What will happen to the state after the changing of the Old Guard? How will a changing China deal with human-rights issues in the aftermath of Tiananmen Square? How will the desire for economic improvements and reform be affected by the march of political events? What role should other nations play in assisting the future development of China?

Objectives

Upon completion, participants will be able to:

1. Understand the forces and dynamics that are causing rapid change and innovation in China.

2. Identify the major elements that will determine how and in what ways China will change.

3. Analyze the social, economic and political factors that must be considered when determining how to approach and solve the major problems of China.

Materials

Handout on China (page 38), chalkboard, chalk

Time

Approximately 45 minutes

Procedure

Begin the discussion by pointing out that the Chinese Revolution occurred in 1949. Briefly describe how Mao Zedong and the Communists seized power and transformed China into a Communist state. Then ask the participants what an Algerian revolutionary meant when he said that the only thing more difficult than planning, starting and seizing power in a revolutionary struggle is deciding what to do *after* successfully seizing power. Ask the participants to explain why many analysts believe that this has become a particularly pressing problem for China in the 1990s.

Distribute the **Handout on China** and divide the participants into five groups:

1. Old Guard hard-liners

2. liberal reformers

3. peasants

4. entrepreneurs

5. urban workers and students

Have each group choose a spokesperson and ask participants to work together to complete the handout in about 15 minutes. After they have completed the work, bring the groups together and ask them to state the goals and objectives they set for themselves and for China. As each group presents its position, outline the ideas on the chalkboard. Be sure to ask each group *how* it would like to see these changes come about for China. Get them to point out who they consider are their allies and enemies *within* China, and why they feel these other groups will be a help or hindrance in carrying out their plans.

After they have discussed the differences and agreements among the various groups, refer to the notes on the chalkboard and ask the participants what they

think will happen to China and how the Chinese people will resolve these differences in order to maintain stability and work together to improve their lives. Be sure to ask the participants what recommendations, if any, they would make to the people of China about dealing with other nations and the international community.

Close by referring the participants back to the statement by the Algerian revolutionary. Ask them if they believe that China is still a revolutionary society today and, finally, if they believe that China will be able to manage change and reform.

ACTIVITY TWO

Overview

In recent years a number of events have strained relations between the U.S. and China, a link that dates to the promulgation of the open door policy of 1898. The Communist Revolution (1949), China's entry into the Korean War (1950) and, of most recent significance, the brutal suppression of student demonstrators in Tiananmen Square by the People's Liberation Army (1989) have caused many to question the premise of a relationship between the U.S. and China and to criticize the diplomatic, cultural and economic initiatives that have taken place between the two countries since the normalization of relations in 1979.

The questions that the U.S. faces today revolve around a conflict between principles of human rights and practical economic and political realities. Modern telecommunications brought images of Chinese demonstrators adopting the Statue of Liberty as a symbol of their struggle to U.S. livingrooms. The American public and their government were outraged by the brutal suppression of these protesters, which happened at the same time that the two countries were increasing trade and economic ties that could lead to broader American influence in China. The end of the cold war presented new opportunities but also accentuated differences over such issues as human rights, arms control, nuclear proliferation and the nature of Chinese communism. The U.S. wishes to have a positive influence on reform and development in China. It seeks to continue to improve economic and diplomatic relations while, at the same time, it hopes to have a firm influence on turning China away from communism, encouraging economic and political reforms and diminishing the general threat of an arms race, including the spread of nuclear weapons and technology.

The U.S. under the Bush Administration maintained a policy of "constructive engagement." This strategy meant that the U.S. attempted to persuade and influence China to stop violating human rights, while at the same time it developed and advanced fair trade and investment—and, eventually, reform and liberalization in China. At that time the U.S. needed China's support and cooperation in international affairs dealing with the Persian Gulf, Indochina and the Korean peninsula. Washington felt that it needed to come to terms and reach agreements with China on such provocative matters as arms trading and nuclear testing and proliferation. Critics pointed out that the Bush Administration did not press China hard enough on matters of human rights and fair trade. They also charged that the Administration's actions failed to match its statements on the issues.

How should the U.S. deal with China in the aftermath of the Tiananmen Square massacre? Should the U.S. press its concern about human-rights violations as the centerpiece of U.S. policy toward China? What steps can the U.S. employ to prod the Chinese to improve on this issue? Can the U.S. afford to jeopardize the trade relations and international support it gains from China? How will pressures from the U.S. and other nations affect the internal struggles between hard-liners and liberal reformers in China?

Objectives

Upon completion, participants will be able to:

1. Describe the issues that cause concern in the U.S. about recent developments in China.

2. Explain why it is difficult for the U.S. to choose which approach to China may be the most beneficial for the U.S. and its interests.

3. Analyze and compare possible outcomes of the various actions that the U.S. may pursue.

Materials

Chalkboard, chalk

Time

Approximately 45 minutes

Procedures

Begin the discussion by asking the participants what is meant by human rights. Get them to list how the U.S. government tries to protect the human rights of all residents. Point out how the protection of human rights and freedom, our constitutional guarantees, is one of the most admired qualities of our nation. *Briefly* review attempts by President Jimmy Carter and others to make human rights a cornerstone of our foreign policy.

Turn the discussion to U.S. relations with China. After reviewing what occurred in Tiananmen Square in 1989, emphasize the impact of this event on the consciences of people around the world. Point out the symbolism of the 30-foot high statue of the "Goddess of Liberty." Explain how the protestors in Tiananmen Square looked to the U.S. for assistance and protection after the government crackdown. Ask the participants how *they* would have acted in response to these events. Get them to state if their actions would have created a lesser risk for the U.S. in its relationship with China and the rest of the world.

Then turn the discussion to the question of what the U.S. should seek as its ultimate goal with regard to China. Ask them if the U.S. can or should divide its interests in China into separate economic, political and human-rights categories.

GLOSSARY

- **Amnesty International (AI).** Winner of the Nobel Peace Prize, AI works for the release of prisoners of conscience, fair and prompt trial for political prisoners and the end of torture and executions.

- **arms proliferation.** Production and sale of weapons, including weapons of mass destruction, by one or more states to other states.

- **barter.** An economic system based on the exchange of one commodity for another commodity.

- **capital projects loans.** Funds provided to a borrower (usually a government) to enable it to buy goods (for example, heavy machinery and tools) needed to produce other goods (cars, clothing, computers, etc.).

- **capitalism.** An economic system, based on open competition in a free market, in which the means of production and distribution are privately owned and growth results from the accumulation and reinvestment of profits.

- **Chiang Kai-shek.** Leader of Chinese Nationalists, he became the head of the Nationalist government in Nanking in 1928. Defeated in 1949 by Mao Zedong's Communist forces, he moved his Nationalist government to Taiwan.

- **Communist party Congress.** The Communist party's policymaking body, composed of delegates elected by party organizations throughout China. It meets every five years or so and elects members of the Central Committee.

- **Cuban missile crisis.** U.S.-Soviet confrontation over placing of Soviet nuclear missiles in Cuba (1962). Resulted in negotiated withdrawal of Soviet missiles.

- **entrepreneur.** One who organizes, manages and assumes the risks of a business or enterprise.

- **fascism.** A system of government characterized by the rigid one-party rule, the forcible suppression of all opposition, private economic enterprise under centralized government control, and belligerent nationalism, racism and militarism. Primarily associated with the rule of Benito Mussolini in Italy and Adolf Hitler in Germany in the period between World War I and the end of World War II.

- **free-market system.** An economic system that operates by free competition.

- **Gorbachev, Mikhail S.** Soviet political leader who came to power in 1985 and instituted sweeping changes. *Perestroika* called for restructuring and moving toward decentralization and privatization of the economy. *Glasnost* called for an openness in government operation. He moved to improve relations with Western nations. Faced with criticism from both hard-liners and reformers and with ever-increasing economic problems and independence movements at home, he resigned his office in December 1991.

- **human rights.** Usually defined in the West as the protection of an individual's political and civil liberties (as in the U.S. Bill of Rights). Sometimes this definition is broadened to include economic and social rights, such as the right to adequate food and shelter.

- **Khmer Rouge.** The Communist party in Cambodia, which took power in 1975 under the leadership of Pol Pot. It was responsible for the deaths of over 1 million Cambodians. The regime was overthrown in 1979 when Vietnam invaded Cambodia, and since then the Khmer Rouge has maintained a guerilla force. Literally, *rouge* means red (the symbol of communism) and *Khmer* is the name of the people who live in Cambodia.

- **Korean War (1950-1953).** In June 1950, Communist North Korea invaded South Korea in a bid to seize control of the entire Korean Peninsula, which had been partitioned at the end of World War II. The U.S., with United Nations support, came to the defense of South Korea. China entered the war, unofficially, to aid the North. After bloody, inconclusive fighting, an armistice was signed in 1953 that reestablished the original boundary between North and South Korea.

- **Kuomintang (Chinese Nationalist Party).** Founded by Sun Yat-sen in 1912, the Nationalist party advocated democratic government and social reform to improve the lives of the Chinese. After Sun Yat-sen's death, leadership was seized by Chiang Kai-shek, under whom the Kuomingtang became the effective government of China, until the Communists came to power in 1949. Since then the Nationalists have governed the island of Taiwan.

- **market economy.** An economic system that relies on free competition, profit incentives and the principle of supply and demand to solve the problems of which goods to produce, how to produce them and who receives them.

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GLOSSARY

- **most-favored-nation (MFN).** In international trade, a country granting most-favored-nation status to another country undertakes to make available to that country the most favorable treatment in regard to tariffs and other trade regulations that it makes available to any other country.
- **Nuclear Nonproliferation Treaty (NPT).** In addition to trying to curb the spread of nuclear weapons, the treaty commits all signatories to negotiate an end to the nuclear arms race and, ultimately, to negotiate nuclear disarmament.
- **Politburo.** The most powerful policymaking body of the Communist party, elected by the Central Committee.
- **Security Council.** See Glossary, Topic 2.
- **Silkworm missile.** Chinese-made antiship missile first acquired by Iran in March 1987. The Silkworm carries a 1,100 pound warhead and has a range of 50 miles, enabling Iran to hit any ship transiting the Strait of Hormuz.
- **socialist economy.** An economy in which "the means of production" (ownership of factories, banks and the land) is commonly owned through the state.
- **Third World.** See Glossary, Topic 1.

Trade and the global economy: projecting U. S. interests

- *What recent developments have caused multilateral trade talks to stall?*
- *What steps should the U.S. take to improve its economic and trade positions in today's world?*
- *How will NAFTA affect the U.S. economy? How will regional trade blocs affect world trade?*

ARTICLE SUMMARY

THE cost of a mortgage or a new car, the price of a vacation abroad, the availability of jobs, real income after retirement—all are affected directly or indirectly by the global economy, and an important part of that economy is trade. Nearly a fifth of America's total output of goods and services depends on trade. One in six manufacturing jobs depends directly on exports. One fourth of our total agricultural production is sold abroad. At a time when the standard of living has stagnated in the U.S. and Americans can no longer count on having the same, let alone a better, lifestyle than their parents, trade is more important than ever. And yet the consensus on U.S. trade policy is breaking down. This article looks at three different patterns of trade—bilateral trade, regional trade and trade blocs, and multilateral trade. It explores the pros and cons of the North American Free Trade Agreement (NAFTA) with Canada and Mexico, the issue of "Fortress Europe," and the future of the General Agreement on Tariffs and Trade (GATT) and multilateral trade. It concludes with a discussion of the future direction for U.S. trade policy. Should it be free trade, aggressive bilateralism or managed trade? Which policy will not only increase jobs but help bring good-paying ones as well?

ACTIVITY ONE

Overview

Most Americans would agree that the state of the U.S. economy is of primary concern for them. Some question whether future generations of Americans will be able to enjoy a better or even the same living standard that exists on a widespread basis today. People are concerned about a declining U.S. industrial base, the loss of good jobs, huge trade deficits and steadily increasing competition from Japan and Europe. Many believe that the U.S. economy is on the wrong track. In both industrial production and trade policy the U.S. has failed to react sufficiently to changing world conditions and has failed to define its interests with a consistency and strength that would have enabled it to face its economic rivals with a steady, effective program. Such a strategy is necessary to ensure that the U.S. will be able to achieve its goals and maintain a fair share of world economic activity for American business and industry.

The trade problems facing the U.S. can be traced to its recent economic history. After World War II the U.S. dominated the world economy. American industrial might set the standards. Believing in free trade,

the U.S. attempted to reduce national barriers through the development of international rules. The multilateral General Agreement on Tariff and Trade talks led to the expansion of world trade, unprecedented world growth and good profits for U.S. businesses. The most recent round of GATT talks, the Uruguay Round, began in 1986 and has seen hopes fade into frustration. The U.S. hoped to increase exports in such areas as services and agriculture; other countries had different priorities; and serious areas of disagreement remain. The talk of a "trade war" between the U.S. and the European Community over agricultural subsidies has abated, but charges that Japan, among others, is not "playing by the rules" still reverberate.

These problems are not surprising to some. They claim that GATT no longer works, that the U.S. is wasting its time trying to succeed in the Uruguay Round. Many believe that difficulties became inevitable for the U.S. when its economy faltered and Japan and Germany became serious competitors. Many analysts point to regional trade groups as a more effective and practical means to improve trade relations throughout the world.

What must the U.S. do to improve its economic performance and trade position in the world? What ideas or practices should the U.S. follow in trade negotiations? To what extent will continued GATT negotiations be helpful in bringing about the desired results?

Objectives

Upon completion, participants will be able to:

1. Describe how economic conditions have changed in the U.S. and the world.

2. Describe recent efforts by the U.S. to maintain good economic standing and improve trade relations in a changing global economy.

3. Analyze the issues and problems that cause difficulties for U.S. trade in today's world.

Materials

Chalkboard, chalk

Time

Approximately 45 minutes

Procedures

Begin the discussion by describing recent attempts by various businesses in the U.S. to offer incentives to consumers to "buy American." Ask the participants why this kind of campaign is difficult to conduct in a successful manner in today's global economy. Lead them into a discussion of why it became necessary for Americans to mount a "Made in the USA" campaign. Ask the group where the responsibility for this present state of affairs should be placed, and why.

Briefly describe the history of the U.S. economy since the end of World War II. Describe how this country faced various choices as to what it would do once the war was over. Write on the chalkboard "Isolationism" and "Internationalism." Ask participants to define and contrast these choices and to explain why we chose internationalism. Ask them to describe political consequences if the U.S. had gone into isolation after the war. Then write "Protectionism" and "Free Trade" under the appropriate words already on the chalkboard. Ask the group to define and contrast these choices and ask them to explain why we embraced the idea of free trade. Briefly describe the GATT talks and how they attempt to establish international rules for trade. Ask participants if they believe this policy was directly connected with the internationalist outlook of our foreign policy. Then get them to discuss and evaluate how U.S. free-trade policies and ideas affected the economy internally and externally.

Turn the discussion to the economic competition that exists today between the U.S., Japan and Germany. Briefly describe the economic chaos in Japan and Germany at the end of World War II. Ask the participants what happened that enabled the two nations to challenge the economic standing of the U.S. and contribute to its business, industrial and trade problems today. Ask them whom they blame for these conditions, the U.S. or its two competitors. Make sure that they give reasons for their views.

Refer once again to "Protectionism" and "Free Trade" written on the chalkboard. In between the two

words write "Buy American" and, after it, write a big question mark. Ask them if they believe in today's economy the U.S. should change its ideas about how to compete by abandoning free trade for protectionism. Get them to state why. Ask them if they have other ideas or approaches that they believe may be of help. Make sure they give the reasons for their views.

Finally, turn the discussion to the **North American Free Trade Agreement**. Ask them why they think Washington has embraced this agreement, and if it may be viewed as an alternative means to solve some of the business, industrial and trade problems that the U.S. faces. Conclude by asking them where NAFTA should be listed on the chalkboard, under protectionism, under internationalism or in between, and why they would place it there.

ACTIVITY TWO

Overview

Regional trading blocs are seen by some as obstacles to expanded world trade and by others as an effective, practical means to improve trade relations. Some have argued that, while these blocs will not match the ideal of global free trade, they could liberalize trade and promote the general welfare in their areas. Approximately two thirds of all world trade occurs under regional preferential or free-trade arrangements, and an even greater amount is likely in the future. Not much concern is expressed when this occurs between small economies. However, when trading blocs are created around the three largest economies in the world, the U.S., Germany and Japan, alarms begin to sound.

How has regional trading affected the Europeans and the Japanese? The results appear to be mixed. The Europeans, amid fears that they would create a Fortress Europe, have increased trade within the European Community, but they did not raise protectionist barriers or attempt to exclude foreigners. American exports to the European Community have more than doubled in the last six years. Japan, on the other hand, while aggressively investing and trading in Asia, has so far not sanctioned an Asian economic and security bloc. Japanese trade with North America and the European Community has grown even faster than it has with East Asia.

In the fall of 1992 the U.S. signed the North American Free Trade Agreement. This agreement between the U.S., Canada and Mexico, once it is ratified, opens up the future possibility of a free-trade bloc in the Western Hemisphere. Coming during the course of a presidential election campaign, amid widespread concern about the U.S. economy and the prolonged recession, NAFTA attracted a great deal of attention and helped to stimulate debate among Americans over the question of how the agreement would affect American manufacturing, trade and investment, wages and jobs, safety and environmental standards and a host of other issues in the coming years.

What are the major issues between supporters and opponents of the NAFTA? How will NAFTA affect the U.S. economy? What role will it play in the overall development of trade and business policies? What impact would a Western Hemisphere free-trade bloc have on the global economy?

Objectives

Upon completion, participants will be able to:

1. Describe the terms of the North American Free Trade Agreement.
2. Analyze the arguments used in the U.S. to support or oppose NAFTA.
3. Identify and evaluate the long- and short-term effects of NAFTA on the economies of the U.S., Canada and Mexico.
4. Explain why they believe the U.S. should or should not participate in NAFTA.

Materials

Handout on Trade (page 39), chalkboard, chalk

Time

Approximately 45 minutes

Procedures

Begin the discussion with a brief description of the 1992 presidential election. Ask participants why almost all observers agreed that the U.S. economy played a central role in the campaigns of the three major candidates. Ask them to set aside political disagreements and partisanship and to summarize the views expressed about the basic strengths and weaknesses of the U.S. economy that came up during the campaign. List these on the chalkboard and ask participants to state which of these problems they believe are short-term and relatively easy to solve. Then ask them to think of internal and external economic conditions that they believe contributed to these problems. Take 15 minutes to complete this part of the activity.

Turn the discussion to NAFTA. Remind the participants that this was an important issue in the campaign and that one major candidate supported the agreement, one opposed it and one said he accepted it but with reservations. Tell them that they have been commissioned to offer an evaluation of the wisdom or folly of pursuing NAFTA, based solely on its economic merits, and that they must prepare reasons why they are making their recommendation.

Break the participants into four groups, three representing the governments of Canada, Mexico and the U.S. and the fourth representing U.S. workers, environmentalists and businesspersons. Distribute the **Handout on Trade**. While the "governments" are preparing their arguments, ask the "U.S. citizens" to prepare questions and concerns for the three governments to answer.

Bring the groups together and ask each government to summarize its position on NAFTA. Have the U.S. citizens ask questions of the governments. List all points of view on the chalkboard. After they have finished, ask the U.S. citizens if they are satisfied and are willing to join NAFTA. If some have reservations, get the group to try to come to a consensus that is acceptable to all. Have the participants identify the short-term and long-term results of the agreement for all the parties involved. Then turn the discussion to the question of whether NAFTA should be expanded to create a Western Hemisphere trading bloc. Ask participants how this would affect NAFTA and the U.S.

End the discussion by asking the participants what would happen to the U.S. economy if Washington abandons NAFTA. Ask them if a global approach would be better in dealing with the emerging economic powers of Germany and Japan.

GLOSSARY

- **Enterprise for the Americas Initiative.** A 1990 plan by President George Bush to promote economic integration and political stability in the Americas by reducing debt and increasing trade and investment. The goal is the elimination of all trade restrictions, such as tariffs and quotas, and the creation of a common market ranging from Alaska to Argentina, with more than 700 million people.
- **gross national product (GNP).** See Glossary, Topic 3.
- **International Monetary Fund (IMF).** See Glossary, Topic 1.
- **maquiladoras.** U.S. firms, located on the Mexican side of the border, that take advantage of tax laws that allow them to import some items duty-free to Mexico and then export them back to the U.S. They are a boon to the Mexican economy, resulting in a major source of foreign exchange, exports to the U.S. and Mexican jobs.
- **multilateral trade system.** A system of trade whereby many countries are involved in the movement of goods and services. In an effort to boost productivity, many exporting nations, such as the U.S., Germany and Japan, have participated in multilateral trade negotiations in order to reduce trade barriers and allow goods to move freely around the globe.
- **Third World.** See Glossary, Topic 1.

Russia and the Central Asian Republics: after independence, new directions?

- *What conditions prevail in Russia and the Central Asian republics after the fall of the Soviet Empire?*
- *What are the needs and concerns of these new states?*
- *Under what terms and conditions should outsiders offer aid?*
- *How should the U.S. react to the special needs of the region?*

ARTICLE SUMMARY

ONE year after the breakup of the U.S.S.R., 15 successor-states struggle with the legacies of Soviet communism. The former empire is beset by ethnic strife, nationalist struggles and extreme economic hardship. This article focuses on the difficult transformation under way in two important parts of the former Soviet Union: the Russian Federation and the five Central Asian republics. Under Boris Yeltsin, Russia, by far the largest of the former soviet republics, has committed itself to move from totalitarianism to democracy and from a command economy to a market system, but there are deepening divisions over the pace and extent of the reforms. Yeltsin is looking to the U.S. and other countries in the West for economic assistance and investment. The Central Asian republics, which make up a region the size of India, were known as Turkestan until it was conquered by Russia in the 19th century. The majority of its inhabitants are of Muslim origin and Turkic-speaking (with the exception of the Tajiks). They are now examining three different models for building their countries: the Islamic, the secular and the democratic state. The U.S. has a stake in the future of Russia and the Central Asian republics. Developments there can affect the U.S. defense budget, the future of the North Atlantic Treaty Organization, and even the U.S. national debt. How can the U.S. best protect its interests?

ACTIVITY

Overview

As the U.S. adjusts to the monumental changes that have occurred in the past few years in what was once the Soviet Union, Americans are beginning to look at its remnants with a different perspective and with a different sense of urgency. For most of the cold war, they regarded the U.S.S.R. as a huge monolith. Though aware that the Soviet Union was a multiracial and multiethnic society with a great deal of geographical and cultural diversity, popular belief held that this nation was a severe, unified entity that threatened U.S. interests and the peace of the world. The Soviets were thought to march to the discipline of revolutionary communism with chilling fervor and dedication. Glimpses of what was happening inside the Soviet Union were rare: Eastern Europeans struggling against Soviet imperialism, Soviet dissidents, athletes, the Red Army, the ubiquitous Moscow food lines and pictures of the Kremlin or the Siberian wastes. Many in the U.S. were almost completely unaware of the precarious state of life and the complexity and depth of the problems that lay beneath the Soviet facade.

The breakup of the Soviet Union has changed all of that. The removal of the Communist threat to the world and the inability of the former Soviet hard-

liners to do anything about it has brought the realization that the 15 newly formed republics are in desperate need and face many overwhelming economic, social, political and military problems.

While the Russian republic and the Russian people still remain the dominant power in the region and Russian nationalism continues to play a role throughout the former Soviet Union, a myriad of cultural, political and economic matters must be examined and resolved outside the prism of Russian and Soviet affairs. The Central Asian republics are a case in point.

The Central Asian republics, five nations of 50 million people who are overwhelmingly Muslim, occupy territory about the size of India. The republics remain almost totally dependent on Moscow for transportation and communications. It is important that the U.S. pay close attention to this region and gain an understanding of the ethnic differences between them and the Russians and among themselves, their military affiliations, their economies and resources, political developments and the role of Islam.

Several nations are now poised for a newer version of "the Great Game." Unlike the one between the British and the Russians in the 19th century, this one revolves around the questions of how the Central Asian republics will define their cultural and political identities as they choose from among Islamic and Western models of government and how they will meet the needs of an expanding, impoverished population. Turkey, Pakistan, Iran, Saudi Arabia, Japan, Western Europe and the U.S. have all sought or are seeking to have an influence on trade and the development of resources and political ideas. Which of these nations succeeds will influence the development of the region. So far Turkey holds the lead in building relations and having a significant influence. This has pleased the U.S. and the West because Turkey is a democratic ally that represents moderate Islam rather than Iranian fundamentalism.

The role of the U.S. in coming to the aid of the Central Asian republics and Russia is open to many questions. Political and economic conditions are unstable: the impact of communism has been enormous. The seemingly impossible demands placed on the leaders of these nations to institute new reforms, while attempting to ameliorate impossible problems and contradictions, are staggering. A failure or inability to act by the U.S. could be a major error. In addition to such short-term goals as humanitarian assistance and concern about the severe hardships that millions of people now face and the immediate problem of the civil war in Tajikistan that threatens the stability of the entire region, long-term questions about the future of the region revolve around its political and economic development. All of this must be determined at a time when voices are being raised in the U.S. for this nation to pay less attention to the global issues and to concentrate on pressing matters at home.

Objectives

Upon completion, participants will be able to:

1. Describe the major economic, social and political problems that confront Russia and the Central Asian republics.

2. Describe how various nations have offered to assist Russia and the Central Asian republics in solving their problems.

3. Identify the major concerns and interests of the U.S. in the region.

Materials

Chalkboard, chalk

Time

Approximately 45 minutes

Procedures

Begin the discussion with a definition of the term "Balkanization." Ask the participants where the Balkans are located. Briefly discuss the breakup of Yugoslavia and the civil war that has ensued. Then turn the discussion to the dissolution of the Soviet Union. Ask the participants if the situation in the Soviet Union can be compared with that in Yugoslavia. Ask them to discuss what conditions need to be established in order to create stability and to prevent the republics from disintegrating into anarchy and civil war. Summarize the responses on the chalkboard.

Examine Russia and the Central Asian republics in more detail. Use the chalkboard to outline fundamental differences between Russia and the Central Asian republics. Ask participants if the U.S. and the world should treat the Central Asian republics differently than they would other new nations, especially Russia. Get them to describe several issues or problems in the Central Asian republics that are significant to the region and help to define its relations to the world. Ask them to describe various forms of aid that they believe would meet the needs and improve conditions in the region.

Turn the discussion to the nations that have shown an interest in coming to the aid of the Central Asian republics. Ask the participants to discuss why they would or would not prefer to see each or any of these nations, alone or in combination, play a leading role in assisting the Central Asian republics. Ask them to explain how their individual assistance might influence the development of the region, and how this, in turn, might impact on the world. Ask them if it would be better for a multilateral organization, such as the UN, to take the initiative and what effect this would have on the development of the region and on the world.

Ask the participants to identify and assess the long-term objectives of the U.S. in the region. Ask them if the U.S. can afford to come to the aid of the Central Asian republics and Russia. Close the discussion by asking for a general principle that the U.S. can adhere to concerning the possible Balkanization of the world.

GLOSSARY

- **apparatchik.** Russian term meaning, "men of the apparatus," a career member of the Soviet Communist party organization.
- **black market.** Illegal trade in goods or commodities in violation of official regulations.
- **entitlements.** Government social or economic assistance programs that provide certain groups with material benefits. U.S. government examples include veterans' benefits, social security and Medicare.
- **European Community (EC).** See Glossary, Topic 1.
- **Freedom Support Act of 1992.** Under this legislation, the U.S. Congress allocated $460 million in aid to Russia and other ex-Soviet states. In addition to outright bilateral aid, the Freedom Support Act raised the U.S. commitment to the IMF by $12.3 billion.
- **Gorbachev, Mikhail S.** See Glossary, Topic 3.
- **KGB.** The main organization in the former Soviet Union, responsible for both domestic and foreign intelligence gathering and internal security. The U.S. agencies counterpart to the KGB would include the CIA, for foreign intelligence, and the FBI, for counter-intelligence and federal law enforcement.
- **Khrushchev, Nikita.** Eventual successor to Stalin, he was the head of the Soviet state from 1958-1964. He denounced Stalin and was responsible for several innovations in domestic and foreign policy. He was known mainly for his personal style in the conduct of Soviet affairs.
- **Mecca.** The birthplace and perpetual shrine of Islam. Devotees everywhere turn to face this holy city to perform the ritual prayer as established in the days of Muhammad.
- **most-favored-nation status.** See Glossary, Topic 4.
- **North Atlantic Treaty Organization (NATO).** See Glossary, Topic 1.
- **private entrepreneurship.** Assuming responsibility for the organization, management and risks of a business.
- **Russian Revolution of 1917.** Also known as the Bolshevik Revolution. The czar of Russia was overthrown in March 1917 by a popular uprising. In the following October, the Bolshevik party, under Lenin, seized power and established the Soviet state.
- **Stalin, Josef.** The sole and undisputed head of the Communist party of the Soviet Union from 1927 to 1953. He ruled with rigid authoritarianism and widespread use of terror.
- **Strategic Arms Reduction Treaty (START).** In June 1982 the U.S. and the Soviet Union resumed negotiations on limiting long-range (strategic) nuclear delivery systems. Known as the strategic arms limitation talks (SALT) when they began in 1969, they resumed in Geneva as the strategic arms reduction talks.
- **urban intelligensia.** Intellectuals (writers, artists, educators, among others) who live in a major city such as a capital or a university town and form an elite whose ideas influence policy and the opinions of others.
- **Warsaw Pact.** See Glossary, Topic 3.

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India and Pakistan: collision or compromise?

- *What does the future hold for the economic and political development of the Indian subcontinent?*
- *What new efforts should be made to ease the bitter rivalry between India and Pakistan?*
- *Can the U.S. play a significant role in helping to bring peace, stability and development to the region?*

ARTICLE SUMMARY

This article examines how the end of the cold war has affected the internal and foreign policies of India and Pakistan, two major countries in South Asia that contain one fifth of the world's people. The end of the longtime close relations between Pakistan and the U.S., and India and the Soviet Union, has led to a reduction of outside aid and influence at a time when the region is beset with serious problems. Separatist insurgencies, especially in Kashmir, weak economies, and religious revival, are some of the factors that plague the governments of both countries. The U.S. role in South Asia has always been complicated by the antipathy between India and Pakistan. In the recent past, U.S. ties have been stronger with Pakistan, but in the future relations with India may take priority. At present the chief U.S. concern is containing the region's dangerous nuclear arms race. U.S. leverage, however, is limited, and Washington seems to have accorded South Asia a low priority in the "new world order." The time may be right for a new U.S. policy toward a South Asia poised between authoritarianism and democracy.

ACTIVITY

Overview

In many ways the conditions that India and Pakistan face in the 1990s are a continuation of those they confronted more than 40 years ago.

India and Pakistan have been bitter rivals since the partition of British India in 1947. Religious and cultural differences have been stained by frequent bloodshed. Economic rivals for development and aid, they have fought over territory and have engaged in nuclear and conventional arms buildups. They also have some of the same internal problems: corruption, human-rights abuses, development problems and ethnic conflicts.

Today the cold war is over. The Soviet Union has ceased to exist, and the superpowers' struggles of the past on the world stage have ended. As a result, the strategic importance of India and Pakistan has diminished.

The breakup of the Soviet Union offers a unique opportunity for the U.S. to improve its ties with India, the world's largest democracy. The U.S. is India's largest trading partner. In the past the U.S. frequently supported Pakistan—enough to incur India's hostility, but not enough to satisfy Pakistan. The U.S. failure to support Pakistan in matters such as the Kashmir war and the emergence of Bangladesh led to disillusionment.

As India and Pakistan struggle with each other and grapple with severe domestic problems as well, the U.S. and other outside parties could play a role in

removing some of the obstacles to improved relations. The U.S. has political, economic and humanitarian interests in the future of the region.

What are the major obstacles to improving relations between India and Pakistan? How can tensions be lowered and the stability and development of the region be promoted? What vital interests and concerns does the U.S. have in the area? Can the U.S. rectify past mistakes and begin anew with India and Pakistan?

Objectives

Upon completion, participants will be able to:

1. Describe the major sources of conflict between India and Pakistan in South Asia.

2. Explain how the cold war contributed to tensions and problems in the area.

3. Analyze the steps the U.S. can take to help improve conditions in the region.

Materials

Chalkboard, chalk

Time

Approximately 45 minutes

Procedures

Begin the discussion by asking the group why outsiders are often hurt when they become involved with two parties who are engaged in a violent dispute. Ask participants to give the major cultural, economic and political causes for the conflict between India and Pakistan since partition. Outline the responses on the board. *Briefly* describe the attitudes of India and Pakistan during the cold war, covering Pakistan's concern about a Soviet threat to the region and contrasting it with India's policy of nonalignment. Ask the participants whether or not the U.S. did the right thing when it sided with Pakistan and began to give aid and support to this nation. Get them to compare the pluses and minuses on both sides of the issue. Contrast the political and economic differences between the two nations. Compare the views of India and Pakistan with the U.S. outlook and interests in the world. Ask the participants to assess what effect the U.S. role in the area has had on the disputes and problems between the two nations.

Be sure to ask if the U.S. could have followed a different strategy. Ask the participants what damage was done to long-term U.S. interests in the region as a result of its policies and what the U.S. can do to remedy this damage. Ask them what interim and long-term policies the U.S. should adopt to try to improve its position in the region.

Then turn the discussion to the end of the cold war. Point out that the U.S. is the only military superpower in the world and that the Soviet threat to the region is gone. Ask the participants to list what new threats, coupled with old problems, could cause severe difficulties in the area. Get them to determine if India and Pakistan can tackle and solve these problems together without outside help. Ask them what role the U.S. could or should play to help find a solution to these problems. Ask them if multilateral organizations, nations or other influences might be able to play a role.

End the discussion by asking the participants what they believe are the chances for peace, security and development in the region in the coming years. Ask them to compare the India-Pakistan rivalry with ethnic or cultural conflict in other parts of the world. Ask if these kinds of conflicts threaten the vital interests of the U.S. Have the group discuss what steps can and should be taken by Washington if the situation in the area does not improve. Close the discussion by asking if the U.S. should become involved in violent, bitter disputes like the one between India and Pakistan, or if it should pursue a policy of nonintervention.

GLOSSARY

- **Amnesty International.** See Glossary, Topic 4.
- **Asian Development Bank.** A financial institution established to promote investment and provide technical assistance for economic development in the Asian countries. Its members include both the Asian countries and several nonregional members such as the U.S. and the countries of Western Europe.
- **Asian Tigers.** Refers to four Asian economies—Hong Kong, Singapore, South Korea and Taiwan—that have made remarkable economic progress. Once part of the developing Third World, they are now known as newly industrializing countries or NIC's.
- **Brahmins.** In India, a highly cultured and socially exclusive elite.
- **greenhouse gases.** Believed to contribute to global warming, these gases are emitted by pollutants such as auto emissions, building, industry and commercial production and conventional and nuclear power plants.
- **gross domestic product (GDP).** The total value of goods and services produced within a country in a given year (does not include income earned abroad).
- **International Monetary Fund (IMF).** See Glossary, Topic 1.
- **Islamization.** Bringing the existing economic, educational and judicial system of a country into conformity with Islamic law, as set forth in the *Sharia*.
- **nationalization.** Ownership and operation by the central government of an enterprise previously owned by private interest or local government.
- **nonalignment.** Cold-war term that refers to countries that were not officially allied with either the Communist bloc or the Western democracies and had distanced themselves somewhat from the East-West superpower rivalry. While officially neutral, these countries tended to be more critical of the U.S. and its NATO allies than of the Soviet Union.
- **Nuclear Nonproliferation Treaty.** See Glossary, Topic 4.
- **plutonium.** An element produced artificially when uranium is subjected to irradiation with neutrons in a reactor. A radiological poison, specifically absorbed by bone marrow, plutonium remains toxic for thousands of years. Of its 15 isotopes, the highly fissionable Pu-239 is most often used for reactor fuel and weapons fabrication.
- **Southeast Asia Treaty Organization (SEATO).** This organization, formally dissolved in 1976, was established by the signatories of the Manila Pact in 1954, which guaranteed the collective defense of member countries. Of its original eight members, only two were Southeast Asian—Thailand and the Philippines. The U.S., the Philippines and Thailand continue to adhere to the mutual defense provisions of the Manila Pact.
- **Shiite/Sunni Muslims.** Sunnis make up about 90% of the world's Muslims; Shiites, about 10%. Sunnis, who predominate in the Arab world, believe leadership of the Muslim community should be elective. In practice, Sunni clerics have often been closely associated with government and are less independent than Shiite clerics. Shiites, who predominate in Iran and Iraq, believe the leadership of the Islamic community should remain within the family of the Prophet Muhammad through the descendants of his son-in-law, Ali. Shiites often perceive themselves as oppressed by the political establishment, and their history is characterized by martyrdom and revolt, although rarely political rule.
- **World Bank.** See Glossary, Topic 1.

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Children at risk: abroad and at home

- *What are the rights of children?*
- *Why do children around the world suffer from neglect and deprivation?*
- *How should the U.S. respond to the poor status of its children?*
- *What global efforts can be initiated to improve the lives of the world's children?*

ARTICLE SUMMARY

FIRST call for children—the "principle that the essential needs of children should be given high priority in the allocation of resources...at national and international levels as well as at family levels"—was the theme of the World Summit for Children convened at the UN in 1990. For the first time world leaders, representing 120 countries, came together to discuss a single issue: children. This article takes a look at the condition of the world's children. It examines their health problems—including malnutrition and diseases, many easily and inexpensively preventable—and what is being done to alleviate them. As a result of a global cooperative effort, for example, immunization rates for children in the capitals of Mozambique and Zimbabwe are higher today than in London and New York. The article also looks at the state of children in this country, including the recommendations of the bipartisan National Commission on Children based on a two-year study. To quote the head of the U.S. foreign aid program, "Children may only be 25% of the world's population, but they are 100% of its future."

ACTIVITY ONE

Overview

Each week 250,000 children die, many victims of diseases that are easily treated or prevented. Millions more live in a state of persistent malnutrition and chronic ill health. Children disproportionately suffer the effects of war, natural disasters and poverty: 30 million children are homeless and 7 million are refugees. As grim as conditions are, the lives of the world's children can be significantly improved.

However, at a time when the world is seeking ways to improve the lives of its children—culminating in the 120-nation summit that drafted the 54 articles of the UN Convention on the Rights of the Child in 1990—Washington is being accused of foot-dragging on ratification of the articles and of parsimony or negligence in its commitment and concern for U.S. children. Easily preventable diseases are on the rise; infant mortality rates are surprisingly high; spending priorities on children's health are very poor. In the U.S., children under 6 years of age are more likely to live in poverty than persons over 65. Public spending on children has gone down, while spending on the elderly has gone up, and many debate where the burden of assistance should fall—on families and private interests or on the government.

What are the rights of children? What role should the U.S. government play in supporting children's rights at home and abroad? Why are "investments" in children underfunded and neglected within the U.S.

and throughout the world? How can the U.S. work with other nations to resolve these problems?

Objectives

Upon completion, participants will be able to:

1. Describe the special circumstances and problems children face in the world.
2. Define the rights and problems of children in their relationships with adults.
3. Tell why the world has failed to play a larger role and commit more of its resources to assist children.
4. Formulate and evaluate plans to address the underlying issues involved in improving the lives of the children of the world.

Materials

Handout on Children (page 40), chalkboard, chalk

Time

Approximately 45 minutes

Procedures

After participants have read the article, use word association to explore their ideas about "childhood." List their responses on the chalkboard. After the list is complete, ask them if these words correspond with Wordsworth's description of his childhood: "blessings spread around me like a sea." Get them to discuss their childhood, their earliest memories, what things they liked the best and what they liked the least. List these on the chalkboard as well.

End this part of the activity by asking them to agree on a brief description of what they regard as the special nature of childhood. Make sure to ask them to emphasize how being a child differs from being an adult.

Distribute the **Handout on Children** to the group. Explain that the handout asks them to determine the status of children in the world today. Give them 15 minutes to complete it.

After the participants have finished, ask them what the basic rights of all children in the world should be and how to secure them. Turn the discussion to the role adults must play in protecting children and securing their rights. Ask them what they feel are the most important things adults can do to be truly responsible toward children and their problems. Ask them to identify any differences between the responsibilities of parents and of nonparents with regard to the world's children.

Turn the discussion to the topic of issues or problems. Ask the participants to identify major issues and to describe their underlying causes. Ask them what must be done to solve these problems. End the discussion by asking them to describe general and specific ways they feel this situation needs to be addressed by individuals, private agencies, governments or international organizations in order to improve the lives of children around the world.

ACTIVITY TWO

Overview

Many Americans feel the U.S. is "headed in the wrong direction" in a rapidly changing world. They focus on a diminished, decaying industrial base and a declining economy, and they see these as a prelude to a time when standards of living will be significantly lower. For many children in the U.S., that time may have already arrived. While its economy remains a powerful productive force worldwide, America's children are facing ever increasing problems today, along with the prospect of even more difficulties in the future.

Child welfare is an investment: we develop the health, educational and emotional well-being of children in order to improve economic and social activities and to contribute to the stability of the nation. The U.S. is falling short in its investment. In the U.S. children constitute the fastest-growing group of identifiable poor people. In the nation where most vaccines were developed, easily preventable diseases are on the rise, as significant barriers prevent children from receiving the benefits of the healthcare system. The infant mortality rate is a shocking reminder of this.

Families and the government are failing children. Escalating divorce rates, abandonment of child support

payments by fathers, decreased effectiveness of government payments, spotty prenatal and maternity care and a number of other ills contribute to an atmosphere in which the lives of children become difficult and dangerous. Even the spending priorities of Americans and their government are tilted away from the needs of children.

Many plans have been put forth that can help to reverse these trends in the U.S. and around the world. What recent efforts have been made for "putting children first"? Can the U.S. increase its efforts to adopt and adapt these ideas to this country? How should the Americans approach the problems facing their children? What role should the U.S. take to improve the lives of children around the world?

Materials

Chalkboard, chalk

Time

Approximately 45 minutes

Procedure

Divide the participants into four groups—parents, nonparents, private organizations and government. Ask them to use *Great Decisions* as a reference, and give them 20 minutes to devise a plan to improve the lives of American children. Ask them to specify what roles they would assign to the other groups to help them carry out their plans. Ask them to be prepared to explain why their ideas could or could not be used in a global effort to assist children, and what resources or programs that exist outside the U.S. they would use in their plans.

As each plan is presented, list the main ideas on the chalkboard. Ask the groups to compare their ideas and to determine which plan—or combination of plans—would best suit the U.S. Then ask them if the U.S. should play a more active role in enriching the lives of the world's children and how this could be done. Have them compare the domestic problems with those outside the U.S., and determine if their plans can be implemented worldwide. Get them to determine whether or not individual nations, multilateral organizations or a combination should spearhead such an effort.

GLOSSARY

- **AARP.** The American Association of Retired Persons is a national membership organization that provides services for the elderly and a legislative voice for them in Washington, DC.
- **Agency for International Development (A.I.D.).** Established in 1961 under the State Department to coordinate nonmilitary assistance to developing nations. The Agency for International Development gives priority to programs in agriculture, health, population planning, education and the environment.
- **Children's Defense Fund.** An organization that provides a voice for children, particularly poor, minority and disabled children and that educates the nation about their needs; provides information and support to a network of state and local child advocates.
- **Covenant on Civil and Political Rights.** UN covenant that deals with such rights as freedom of movement, equality before the law, freedom of religion, freedom of opinion, peaceful assembly and minority rights. It also speaks out against torture, slavery, discrimination and illegal detention.
- **Genocide Convention.** The convention defines genocide as committing certain acts with intent to destroy a national, ethnic, racial or religious group. Genocide is considered a crime under international law. The U.S. belatedly ratified the convention.
- **International Planned Parenthood Federation.** Founded in 1952, this multinational organization of nongovernmental family planning associations works to initiate and support family planning services throughout the world and to heighten government and public awareness of the population problems of local communities and the world.
- **Magna Carta.** The great charter of 1215 formed the basis of the modern English constitution. It resulted from an effort by feudal lords to enforce their rights under the feudal contract with the king. It granted concessions to barons, agricultural and commercial classes and to the church.
- **torture.** The infliction of severe pain as a means of punishment or coercion.
- **United Nations Children's Fund (UNICEF).** An international agency that organizes and distributes funds among countries to improve children's welfare. Initially established as a temporary organization to assist children in war-torn countries. UNICEF was made permanent in 1953.
- **United Nations Population Fund (UNFPA).** Originally called the United Nations Fund for Population activities, the agency was founded in 1972 to help support family planning services in developing countries. It has a budget of more than $150 million and funds programs in about 140 countries.
- **WIC.** A federally financed assistance program known officially as the Special Supplementary Food Program for Women, Infants and Children.
- **World Health Organization (WHO).** Established in 1946 in response to the need for a single organization to coordinate international health improvement efforts. WHO's activities include the development of health services, disease prevention and control and the promotion of health-related research. The organization often initiates joint programs with member governments.

Handout on the U.S.

Group *(circle one)*

Internationalists Neo-Isolationists Realists

1. What are the basic ideas or reasons for **your** approach to how U.S. foreign policy should be conducted in today's world?

2. State the reasons why you believe this to be the proper approach for the U.S.

3. List the issues, problems or areas of the world that you believe can be successfully handled by following your approach to the management of U.S. foreign policy.

4. List the issues, problems or areas of the world that you believe will be difficult to handle by following your approach to the management of U.S. foreign policy.

5. Describe the overall effect you believe your approach will have for the U.S. and its problems at home and in the world.

6. Write a brief statement explaining why you believe the other two approaches listed above are inappropriate for U.S. foreign policy in today's world.

Handout on the United Nations

1. Briefly describe the three tools the United Nations uses to deal with challenges to peace and security.

   PEACE BUILDING

   PEACEKEEPING

   PEACE ENFORCEMENT

2. List two events or actions that you believe were the UN's biggest successes.

3. List two events or actions that you believe were the UN's biggest failures.

4. List the problems that you believe present the greatest threat to the world today.

Handout on China

Name of your group _____.

1. What short-term goals and objectives do you seek for your group?

2. What short-term goals and objectives do you seek for China as a whole?

3. What do you believe are the most serious concerns or issues facing China today?

4. Describe how you would solve or resolve these problems.

5. List those groups within China that you consider are your allies today.

6. List those groups within China that you consider are your opponents today.

Handout on Trade

Your group: *(circle one)*

Government of Canada
Government of Mexico
Government of the United States of America
United States citizens

1. List the economic and political conditions or goals you have in common with the other two nations. State which nation you believe offers the most productive long-term economic relationship for you.

2. LIST the economic and political problems or difficulties you may face from each of the other two nations. State which of these sets of problems offers the most difficulties for you.

3. Explain how NAFTA will address or try to solve these problems in both the long- and short-term.

4. State why you would or would not recommend pursuing NAFTA for your nation.

Handout on Children

1. What *rights*--if any--should be guaranteed to all children?

   A. _____

   B. _____

   C. _____

   D. _____

2. How should adults be held *responsible* toward children?

   ALL adults must _____

   ALL adults must _____

   ALL adults must _____

   PARENTS must _____

   PARENTS must _____

3. What special impact do these issues or problems have in putting children at *risk* around the world?

   Preventive medicine _____

   Food supply _____

   Poverty _____

   Homelessness _____

   Natural disasters _____

   War _____

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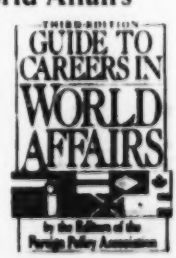

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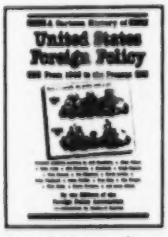

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GEORGE BUSH, 1989

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